



***City of Rye, New York  
1999  
Financial Trends Report***

**Michael A. Genito  
City Comptroller  
August 1, 2000**

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**CITY OF RYE**  
**Department of Finance**  
**TRANSMITTAL LETTER**

July 30, 2000

To the Honorable Mayor, City Council and City Manager of the City of Rye, New York:

Submitted herewith is the 1999 Financial Trends Report for the City of Rye, New York.

This report consists of this transmittal letter, an introduction, an executive summary, and the graphic representation and analysis of selected financial indicators for our general government operations (General Fund, Cable TV Fund, Nature Center Fund, and Debt Service Fund) and those of our enterprise funds (Boat Basin Fund and Golf Club Fund).

The indicators presented herein should be taken in the context and consideration of all the indicators, the financial results supporting those indicators, and information from other sources such as our annual budget document and the annual department reports to our City Manager. No single indicator stands on its own as a representative picture of a trend. Rather, each indicator adds to the collage, which when viewed in perspective, presents a fuller understanding of our general fiscal health.

We selected the indicators from publications of the International City/County Management Association (ICMA), the Government Finance Officers Association (GFOA), and Moody's Investors Service.

We look forward to your comments and questions, and especially any suggestions you may have which might improve the reading of this report or analysis and use of its contents.

Very truly yours,  
CITY OF RYE

A handwritten signature in cursive script, reading 'Michael A. Genito'.

Michael A. Genito  
City Comptroller

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## **INTRODUCTION**

### ***Purpose of the Financial Trends Report***

The Financial Trends Report allows a user to view in graphic form the financial direction our City appears to be taking based upon key financial indicators. The report may assist in the development of budgets, forecasts, and other useful financial tools.

### ***Evaluating the Information***

This report should be viewed in its entirety, considering the individual indicators and trends represented by them as parts of a whole. No single indicator can present the complete picture. For instance, an operating deficit (where expenditures exceed revenues) by itself may appear to be a negative result. However, some deficits are planned to reduce excessive fund balance through the funding of needed or desired programs. Likewise, a stable tax rate and tax receipts may appear to be a positive trend, but when taking into account the effect of inflation, the purchasing power of those dollars may be declining. In short, do not judge any individual factor on its own.

### ***Sources of Information***

The Financial Trends Report was created using *Evaluating Financial Condition - A Handbook for Local Government* (ICMA, 1994), *1997 Medians - Selected Indicators of Municipal Performance* (Moody's Investors Service, 1997), and a number of other accounting and financial sources as guides. The indicators selected are popular, but by no means the only indicators which can be used as tools in evaluating the financial and economic health of a community.

Financial data was taken from our comprehensive annual financial reports. Information as to the number of actual employees in service at year end was taken from our annual budget documents. Population estimates are per the U.S. Census Bureau (<http://www.census.gov>). The consumer price index used in calculating dollars adjusted for inflation is the Consumer Price Index - All Urban Consumers ("CPI-U"), not seasonally adjusted, New York-Northern New Jersey-Long Island, NY-NJ-CT-PA for all items with a base period of 1982-1984=100, per the Bureau of Labor Statistics (<http://www.bls.gov>). Equalization rates were as provided by Westchester County for New York State municipalities.

### ***Trend Period***

1992 was selected as the starting year for our trending, as this was the year that the City's two enterprise funds (Boat Basin Fund and Golf Club Fund) and two internal service funds (Risk Retention Fund, and Building and Vehicle Maintenance Fund) were initiated. Developing trend lines which included years prior to 1992 might have compromised financial comparability. It is anticipated that 1992 will remain the base year for future issues of this report, with each additional year adding to the value and utility of the trends presented.

## ***Numbering Conventions***

All dollar figures are in U.S. dollars. Ratios are either presented as percentages (a percent of some number) or coverages (how many times to one). Where appropriate, dollar value trends are displayed in both actual amounts and in constant 1992 dollars. Constant 1992 dollars are calculated using the actual amounts for years after 1992 and adjusting them for inflation using the CPI-U, setting 1992 as the base year where \$1.00 = \$1.00.

## ***Operating Revenues and Expenditures***

Operating revenues include all revenues except for operating transfers in and “one-shot” revenues. One-shot revenues are defined as those revenues which are material in nature and unexpected or unlikely to occur again. The one-shot revenues in actual dollars excluded from our revenue numbers are: a \$1,525,439 gain from the sale of the Parson’s Estate in 1995; a \$180,480 gain from the foreclosure sale of 6 Ellis Court in 1996, and a \$605,663 one-time state aid payment received in 1996. Operating expenditures do not include transfers out to other funds.

## ***Funds Represented***

This report consolidates the General Fund, Special Revenue Funds (Cable TV Fund and Nature Center Fund), and Debt Service Fund, reporting on their activity as a consolidated group called “general government operations”. The report also includes individual trends on each of our enterprise funds (Boat Basin Fund and Golf Club Fund).

## ***Questions and Comments***

Questions and comments concerning this report may be directed to the City Comptroller. We look forward to your input.

## **EXECUTIVE SUMMARY**

### ***General Government Operations***

Our general government operations are in sound financial condition. As evidenced by our liquidity ratio, current ratios, and current liabilities to net operating revenues, we have no difficulty meeting our immediate expenditures with current funds. Our unreserved and undesignated fund balance remains healthy and well above target. Our revenue indicators tell us that while we are revenue stream is increasing, we must be vigilant of the deteriorating effects of inflation on purchasing power, and design our tax and fee structure accordingly. Our expenditure indicators tell us that our expenditures are under control, especially our fringe benefits.

Since 1993 we have generated operating surpluses, but must remember that surpluses are the result of sound financial planning and management, favorable events and fortunate circumstances. Of these three factors, our greatest control and responsibility is over the planning and management of our operations. We must chart our course based both on the experience of the past and the probabilities of the future.

Our debt indicators show that we continue to process and maintain very low debt in our general government operations. It should be noted that the debt which appears in the general government operations is related to infrastructure (streets, roads, sewers, drains, etc.). Debt related to building and vehicle improvements appear in one of our enterprise funds or our Building and Vehicle Maintenance Fund.

Our population has only increased 2% since 1992. The number of municipal employees per 1,000 population has remained stable since that time. This would indicate that we have become more productive since 1992, a commendable trend.

### ***Boat Basin Enterprise Fund***

All of the financial indicators for the Boat Basin Fund are extremely strong and positive. The Boat Basin Fund has no outstanding debt, and has been able to fund all of its building, facility and equipment improvements through current funds. Likewise, the Boat Basin Fund has no difficulty meeting current expenses with currently available funds. Revenues continue to keep ahead of expenses, resulting in positive net income.

The one comment to note concerning the Boat Basin Fund is that while revenues are exceeding expenses, the effects of inflation are resulting in a flat revenue stream. The Boat Basin Fund should consider a fee structure which accounts for the effects of inflation in order to preserve the purchasing power of its revenues.

### ***Golf Club Enterprise Fund***

Established as an enterprise fund in 1992, the Golf Club Fund has seen its greatest improvements since 1996, when a number of the financial indicators began meeting or exceeding targets. The Golf Club Fund is now in a positive trend in all indicators, demonstrating a sound ability to meet current and future expenses. The revenue structure of the Golf Club Fund provides for the effects of inflation as well as the competent management of new debt.

The Whitby Castle Project is anticipated to be complete by the end of fiscal 2000, after which an additional revenue stream from our contract with Restaurant Associates will provide for debt service payments, and ultimately, a positive cash flow. Barring any unforeseen negative situations, the financial future of the Golf Club Fund looks bright.

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## **FINANCIAL INDICATORS AND ANALYSIS**

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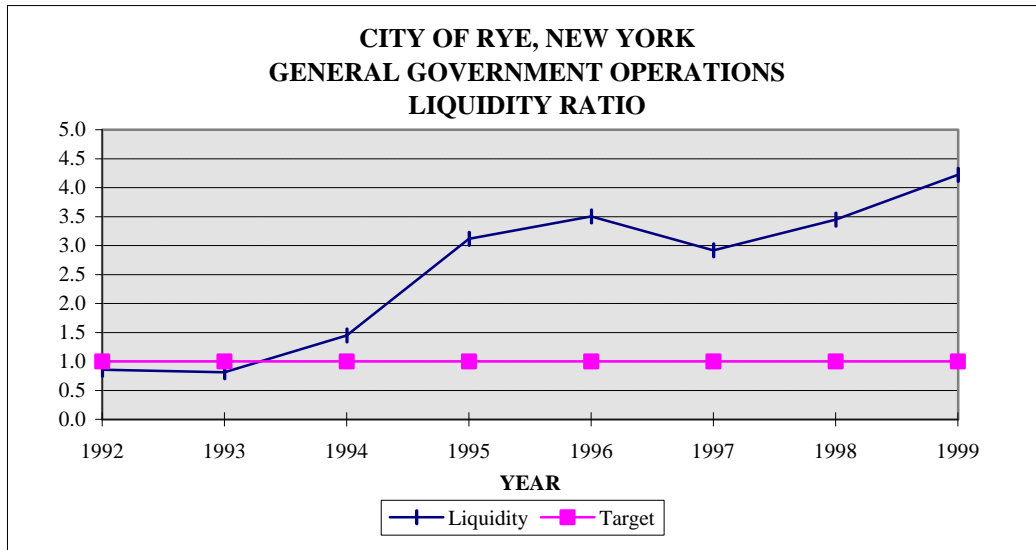
## ***General Government Operations***

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Liquidity Ratio**

**Formula:** Cash and Short-Term Investments/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Cash and Short-term Investments	Current Liabilities	Liquidity	Target
1992	\$1,656,207	\$1,932,649	0.9	1.0
1993	\$2,067,874	\$2,546,267	0.8	1.0
1994	\$2,829,459	\$1,955,674	1.4	1.0
1995	\$5,225,996	\$1,677,892	3.1	1.0
1996	\$4,450,538	\$1,270,461	3.5	1.0
1997	\$5,191,221	\$1,778,872	2.9	1.0
1998	\$5,353,235	\$1,552,985	3.4	1.0
1999	\$6,034,172	\$1,430,342	4.2	1.0

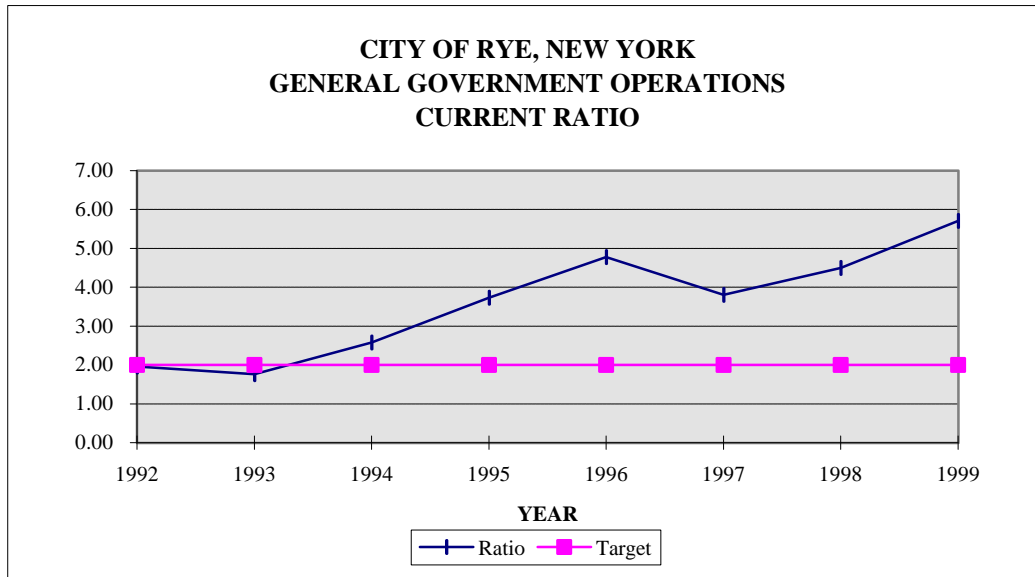
The liquidity ratio, also known as the "cash ratio", measures our ability to pay off current liabilities with cash and short-term investments. Current liabilities are defined as the amounts we owe which are expected to be paid off within the next twelve months, and include such items as accounts payable, accrued liabilities, and amounts due to other funds. Cash is defined as that amount of cash we have on hand and in checking and savings accounts. Short-term investments are defined as certificates of deposit and securities which will be liquidated (redeemed or sold) within the next twelve months. Our liquidity ratio has steadily improved over the past seven years, with only 1992 and 1993 below the ratio target level of 1:1.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Current Ratio**

**Formula:** Current Assets/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1992	\$3,788,793	\$1,932,649	1.96	2.00
1993	\$4,496,699	\$2,546,267	1.77	2.00
1994	\$5,044,222	\$1,955,674	2.58	2.00
1995	\$6,254,413	\$1,677,892	3.73	2.00
1996	\$6,073,254	\$1,270,461	4.78	2.00
1997	\$6,763,546	\$1,778,872	3.80	2.00
1998	\$6,984,428	\$1,552,985	4.50	2.00
1999	\$8,168,251	\$1,430,342	5.71	2.00

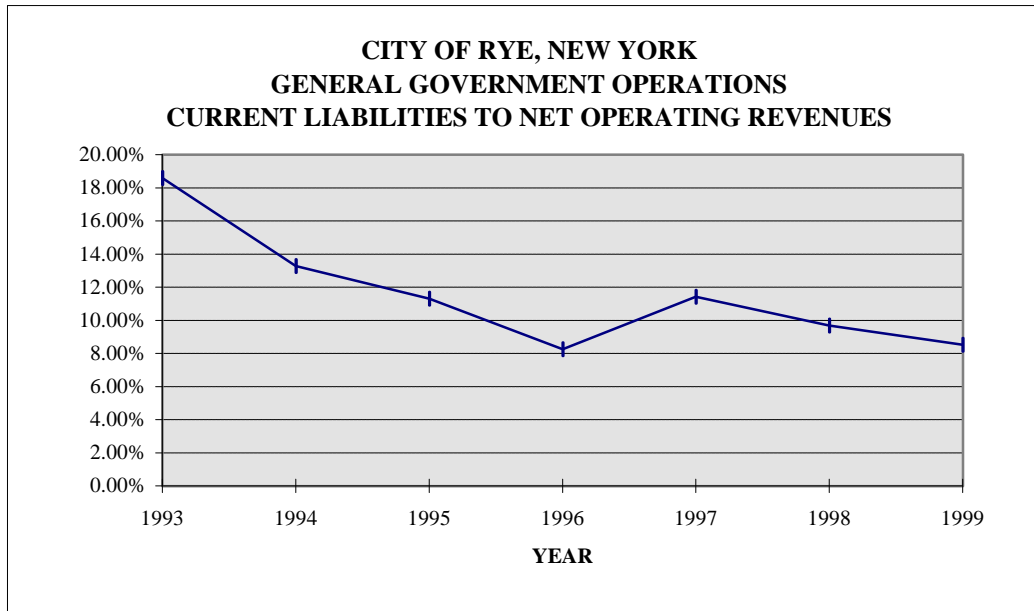
The current ratio measures our ability to pay off current liabilities with current assets. Current assets are defined as cash and amounts we own which can be converted into cash within the next twelve months, and include such items short-term investments, accounts receivable and amounts due from other funds. Our current ratio has steadily improved over the past seven years, with only 1992 and 1993 below the ratio target level of 2:1.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Current Liabilities to Net Operating Revenues**

**Formula:** Current Liabilities/Net Operating Revenues

**Warning Trend:** Increasing trend line



Year	Current Liabilities	Net Operating Revenues	Percent
1992	\$1,932,649	\$12,913,389	14.97%
1993	\$2,546,267	\$13,691,279	18.60%
1994	\$1,955,674	\$14,727,709	13.28%
1995	\$1,677,892	\$14,848,353	11.30%
1996	\$1,270,461	\$15,396,596	8.25%
1997	\$1,778,872	\$15,583,753	11.41%
1998	\$1,552,985	\$16,037,984	9.68%
1999	\$1,430,342	\$16,795,641	8.52%

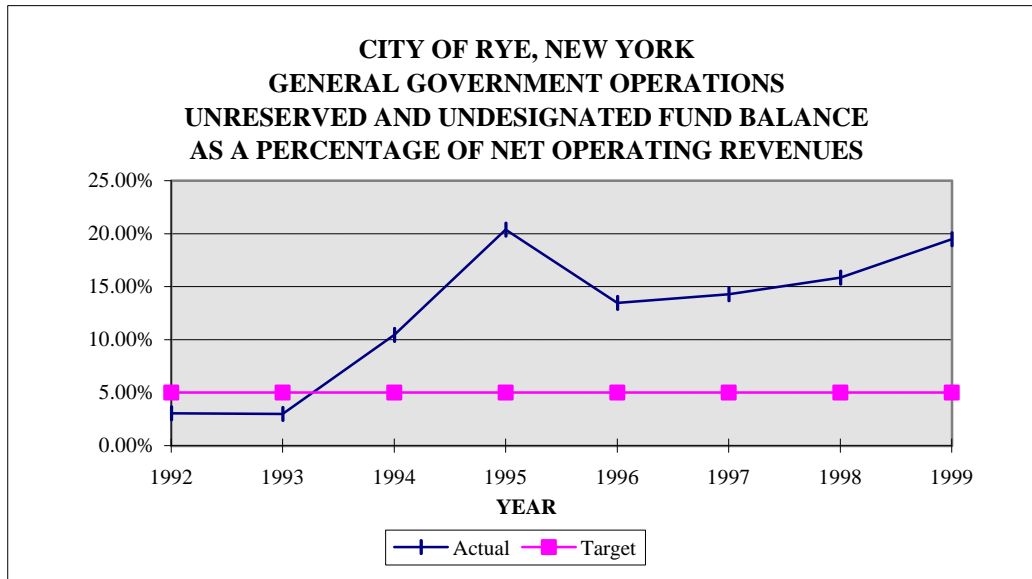
Net operating revenues are defined as all revenues other than operating transfers in and revenues restricted or mandated for specific spending purposes. Current liabilities as a percentage of net operating revenues measures our commitment to paying off current bills with revenues received during the year. An increase in this ratio may indicate liquidity problems if there is an inappropriate use of short-term borrowing or deficit spending. Our general government operations exhibit a downward trend from 1992 through 1999, indicating that our financial results in this area are sound and improving.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Undesignated Fund Balance to Net Operating Revenues**

**Formula:** Unreserved & Undesignated Fund Balance/Net Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Undesignated Fund Balance	Net Operating Revenues	Percent Undesignated Actual	Target
1992	\$392,588	\$12,913,389	3.04%	5.00%
1993	\$410,274	\$13,691,279	3.00%	5.00%
1994	\$1,540,302	\$14,727,709	10.46%	5.00%
1995	\$3,025,311	\$14,848,353	20.37%	5.00%
1996	\$2,075,313	\$15,396,596	13.48%	5.00%
1997	\$2,227,243	\$15,583,753	14.29%	5.00%
1998	\$2,543,032	\$16,037,984	15.86%	5.00%
1999	\$3,271,578	\$16,795,641	19.48%	5.00%

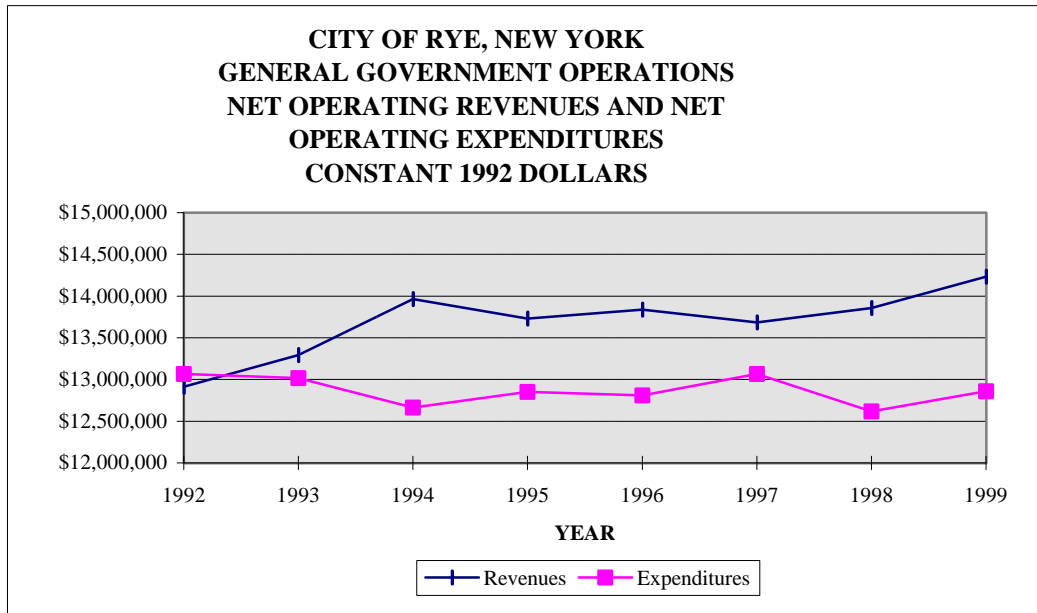
The unreserved and undesignated fund balance is defined as the amount of fund balance which is neither legally restricted nor voluntarily designated for specific purposes. Our financial policies provide that we should strive to maintain an unreserved and undesignated fund balance at least equal to 5% of the total General Fund budget. We use this same target in the analysis of our general government operations. Our unreserved and undesignated fund balance has exceeded the 5% target with double digit percentages for all years except 1992 and 1993.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Operating Revenues vs. Net Operating Expenditures**

**Formula:** Net Operating Revenues; Net Operating Expenditures

**Warning Trend:** Decreasing distance between trend lines



Year	Actual Operating Revenues	Actual Operating Expenditures	CPI-U	Constant 1992 Dollar Revenues	Constant 1992 Dollar Expenditures
1992	\$12,913,389	\$13,068,355	150.0	\$12,913,389	\$13,068,355
1993	\$13,691,279	\$13,407,201	154.5	\$13,292,504	\$13,016,700
1994	\$14,727,709	\$13,354,781	158.2	\$13,964,326	\$12,662,561
1995	\$14,848,353	\$13,896,199	162.2	\$13,731,523	\$12,850,986
1996	\$15,396,596	\$14,252,167	166.9	\$13,837,564	\$12,809,018
1997	\$15,583,753	\$14,878,737	170.8	\$13,685,966	\$13,066,806
1998	\$16,037,984	\$14,601,234	173.6	\$13,857,705	\$12,616,274
1999	\$16,795,641	\$15,172,517	177.0	\$14,233,594	\$12,858,065

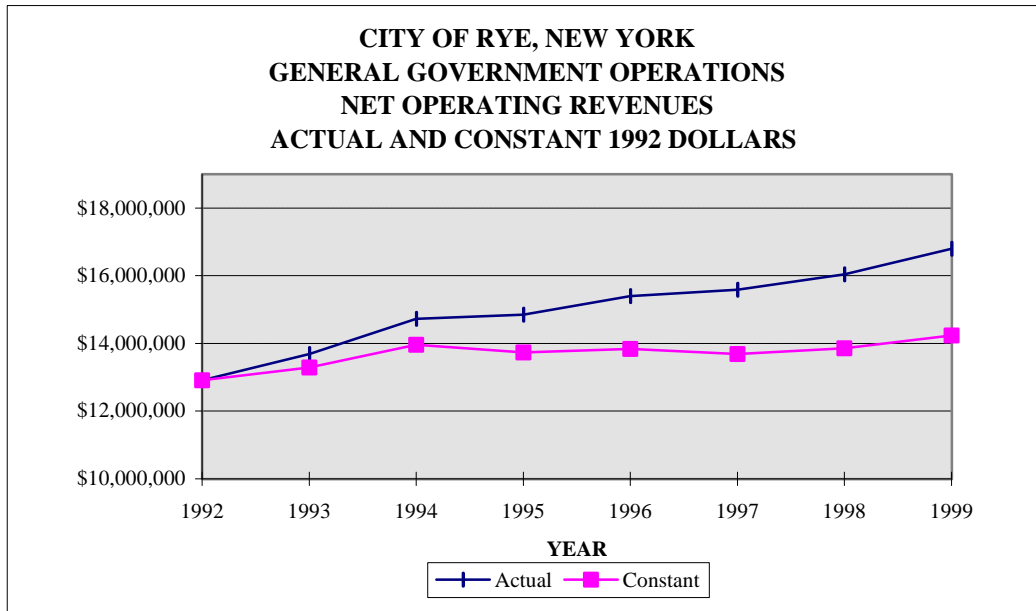
When net operating revenues and net operating expenditures are compared to one another on the same time line, we can get a better picture of how well we are matching our revenues to expenditures. Net operating expenditures are defined as all expenditures other than operating transfers out. In this indicator, a positive trend is when net operating revenues and net operating expenditures move in tandem in the same direction. In other words, the trend lines can move up or down, provided that both lines move in the same direction with relatively the same distance between them. A negative trend occurs when the lines begin to converge or cross. Other than in 1992 and 1993, our trend has been a positive one. It should be noted that the trending was done using constant 1992 dollars for both revenues and expenditures to account for the effects of inflation.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Operating Revenues**

**Formula:** Net Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Net Revenues		Net Revenues
	Actual	CPI-U	Constant
1992	\$12,913,389	150.0	\$12,913,389
1993	\$13,691,279	154.5	\$13,292,504
1994	\$14,727,709	158.2	\$13,964,326
1995	\$14,848,353	162.2	\$13,731,523
1996	\$15,396,596	166.9	\$13,837,564
1997	\$15,583,753	170.8	\$13,685,966
1998	\$16,037,984	173.6	\$13,857,705
1999	\$16,795,641	177.0	\$14,233,594

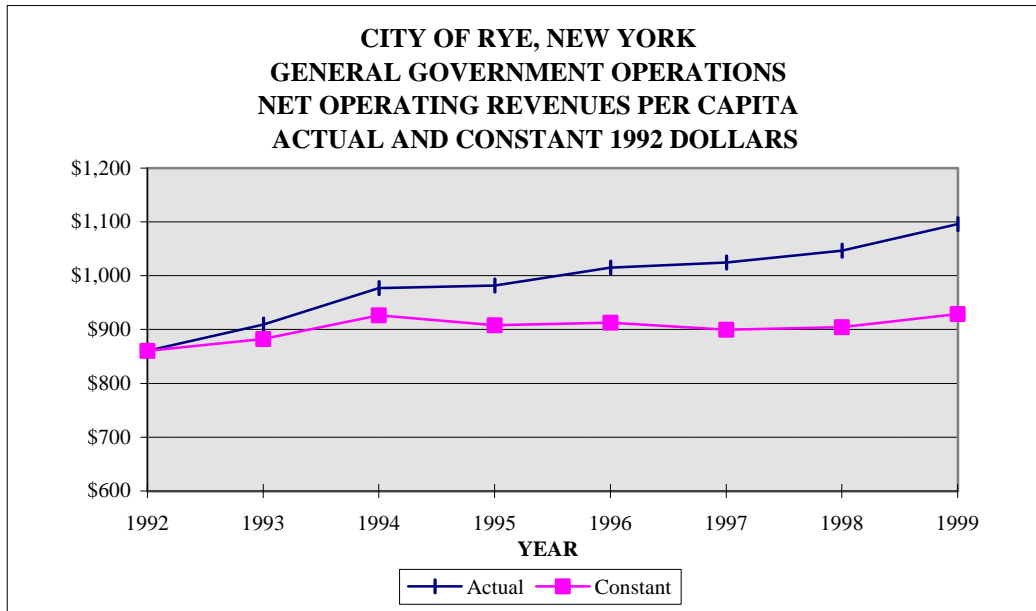
The purpose of this indicator is to show the trend of net operating revenues and the effects of inflation on that trend. Our trend shows a slight increase in actual net operating revenues, but when the effects of inflation are accounted for, the trend flattened from 1994 through 1997, and may be showing the beginning of an inflation-adjusted increase since 1997. We should consider this indicator and our operating expenditures as adjusted for inflation when developing fees and user charges.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Operating Revenues Per Capita**

**Formula:** Net Operating Revenues/Population

**Warning Trend:** Decreasing trend line



Year	Actual Revenues	Population	CPI-U	Per Capita Actual	Per Capita Constant
1992	\$12,913,389	15,005	150.0	\$861	\$861
1993	\$13,691,279	15,060	154.5	\$909	\$883
1994	\$14,727,709	15,071	158.2	\$977	\$927
1995	\$14,848,353	15,122	162.2	\$982	\$908
1996	\$15,396,596	15,164	166.9	\$1,015	\$913
1997	\$15,583,753	15,208	170.8	\$1,025	\$900
1998	\$16,037,984	15,326	173.6	\$1,046	\$904
1999	\$16,795,641	15,326	177.0	\$1,096	\$929

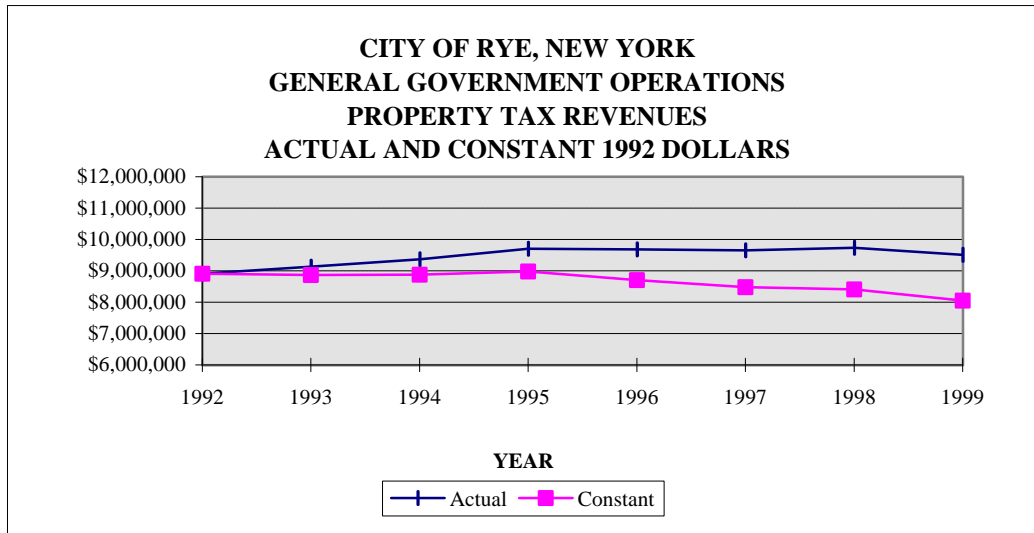
The purpose of this indicator is to measure how effectively we are earning revenue by calculating it on a per resident basis. Our trend in actual dollars per capita tells a similar story to that of the previous indicator - a relatively flat pattern which may be showing signs of an upswing since 1997. While we increased our revenue stream over the years our purchasing power has remained the same, indicating that a review of our tax and fee structure may be in order.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Property Tax Revenues**

**Formula:** Property Tax Revenues

**Warning Trend:** Decreasing trend line



Year	Property Tax Revenues Actual	CPI-U	Property Tax Revenues Constant
1992	\$8,910,754	150.0	\$8,910,754
1993	\$9,128,597	154.5	\$8,862,716
1994	\$9,365,212	158.2	\$8,879,784
1995	\$9,704,643	162.2	\$8,974,701
1996	\$9,680,734	166.9	\$8,700,480
1997	\$9,653,297	170.8	\$8,477,720
1998	\$9,731,058	173.6	\$8,408,172
1999	\$9,505,107	177.0	\$8,055,175

Property taxes are a major component of our general government operations, accounting for over 60% of our total revenues. The amount of property tax revenue is dependent upon our tax rate and the value of our taxable assessed properties. After an increasing trend from 1992 to 1995, actual property tax revenues stabilized due to a relatively stable tax base and the adoption of the same tax rate (\$73.72 per thousand taxable assessed valuation) each year from 1994 through 1999. A further drop in 1999 was experienced with a charge to property taxes for tax certiorari (tax assessment challenge) accruals. The effects of inflation indicate a dramatic drop in the purchasing power of property tax revenues, a trend which cannot be sustained without additional offsetting revenues or decreases in expenditures.

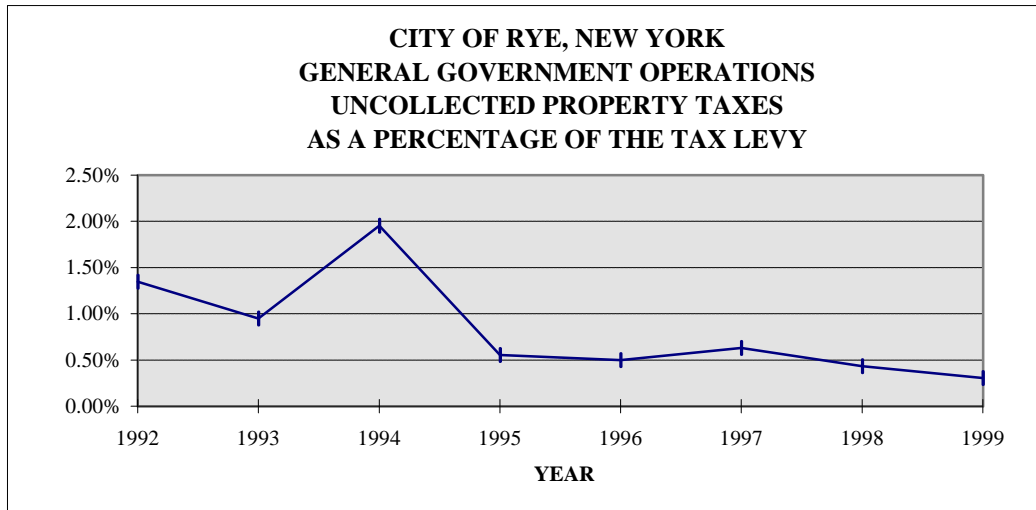
**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations**

**Uncollected Property Taxes to the Property Tax Levy**

**Formula:** Uncollected Property Taxes/Property Tax Levy

**Warning Trend:** Increasing trend line



Year	Uncollected Property Taxes	Property Tax Levy	Percent of Levy
1992	\$120,363	\$8,931,483	1.35%
1993	\$85,941	\$9,053,527	0.95%
1994	\$181,831	\$9,306,345	1.95%
1995	\$51,805	\$9,354,994	0.55%
1996	\$47,232	\$9,448,778	0.50%
1997	\$59,963	\$9,510,351	0.63%
1998	\$41,619	\$9,590,213	0.43%
1999	\$29,130	\$9,593,156	0.30%

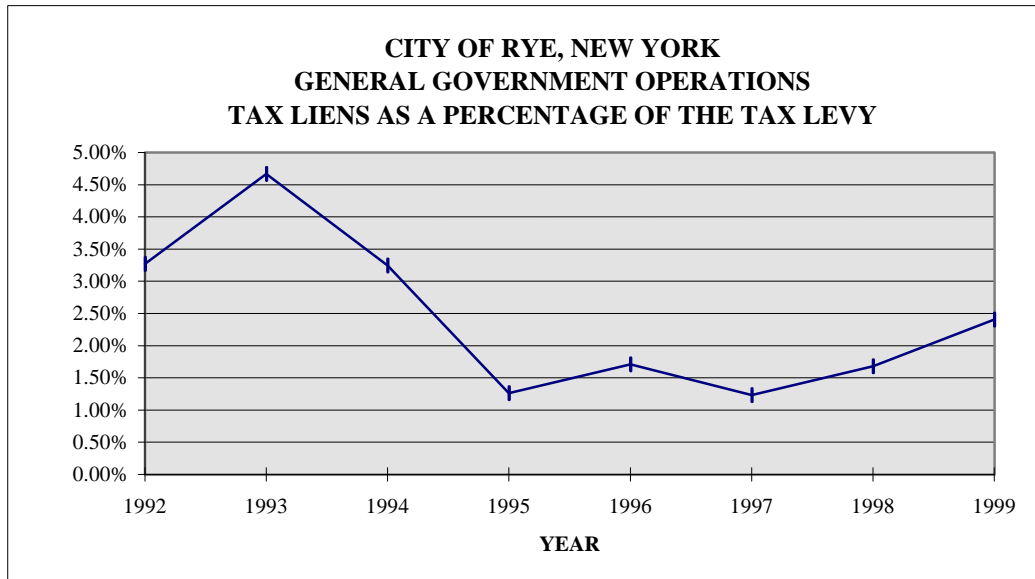
Increasing uncollected property taxes can place a correspondingly increasing financial strain on the resources of the City and its ability to administer programs and services. Such increases may indicate an inability or unwillingness on the part of our property owners to pay property taxes due to personal financial difficulties or a general negative trend in our community economically. It is therefore important that we are vigilant in noting any sign of an upward trend. With the exception of some radical jumps between 1992 and 1995, our uncollected rate of property taxes has remained stable since 1995. Even with those earlier jumps, our overall collection rate has remained excellent at over 98%, especially when you consider that we must guarantee the taxes of Westchester County and the two school districts (Rye City School District and Rye Neck Union Free School District) for the properties affected by those entities in our City.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Tax Liens to the Property Tax Levy**

**Formula:** Tax Liens/Property Tax Levy

**Warning Trend:** Increasing trend line



Year	Property Tax Liens	Property Tax Levy	Percent of Levy
1992	\$292,143	\$8,931,483	3.27%
1993	\$422,377	\$9,053,527	4.67%
1994	\$301,895	\$9,306,345	3.24%
1995	\$118,303	\$9,354,994	1.26%
1996	\$161,570	\$9,448,778	1.71%
1997	\$117,129	\$9,510,351	1.23%
1998	\$161,105	\$9,590,213	1.68%
1999	\$230,906	\$9,593,156	2.41%

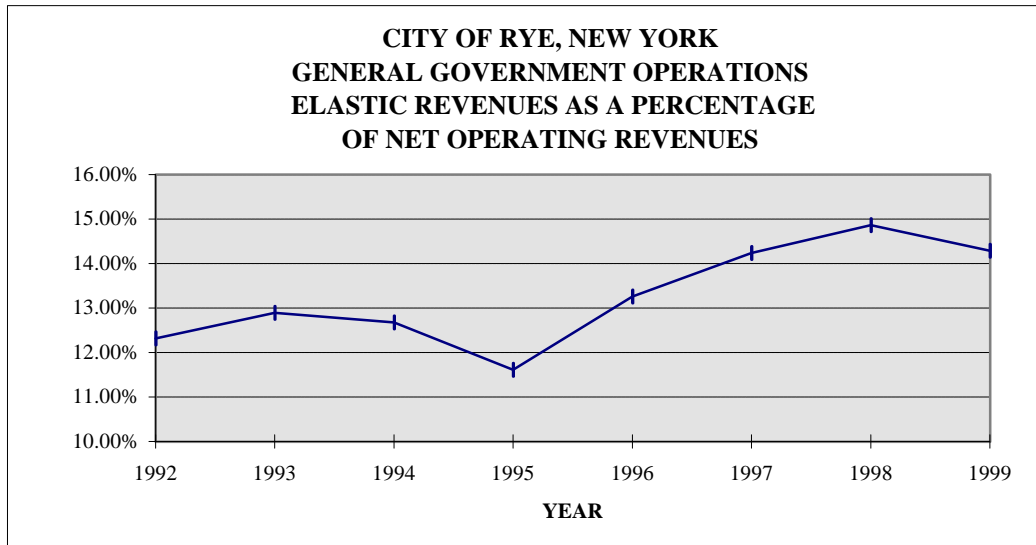
Like uncollected property taxes, an increase in the amount of tax liens can place a financial strain on our resources, and may indicate an inability on the part of our property owners to pay property taxes. In turn, this could indicate a general negative economic trend in the local community. Tax liens increased from 1992 to 1993; took a dramatic drop from 1993 to 1995; stabilized from 1995 to 1997, and since that time have increased. We have identified the majority of the increase since 1997 to one particular property which is currently in the foreclosure process. We have been notified by the mortgage holder that the liens on this property will be satisfied in fiscal 2000. We also note that the overall lien to tax levy ratio is still very low at less than 2.5%.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Elastic Operating Revenues to Net Operating Revenues**

**Formula:** Elastic Operating Revenues/Net Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Elastic Revenues	Net Operating Revenues	Percent to Gross
1992	\$1,590,052	\$12,913,389	12.31%
1993	\$1,765,093	\$13,691,279	12.89%
1994	\$1,866,776	\$14,727,709	12.68%
1995	\$1,724,605	\$14,848,353	11.61%
1996	\$2,041,982	\$15,396,596	13.26%
1997	\$2,218,379	\$15,583,753	14.24%
1998	\$2,383,626	\$16,037,984	14.86%
1999	\$2,400,258	\$16,795,641	14.29%

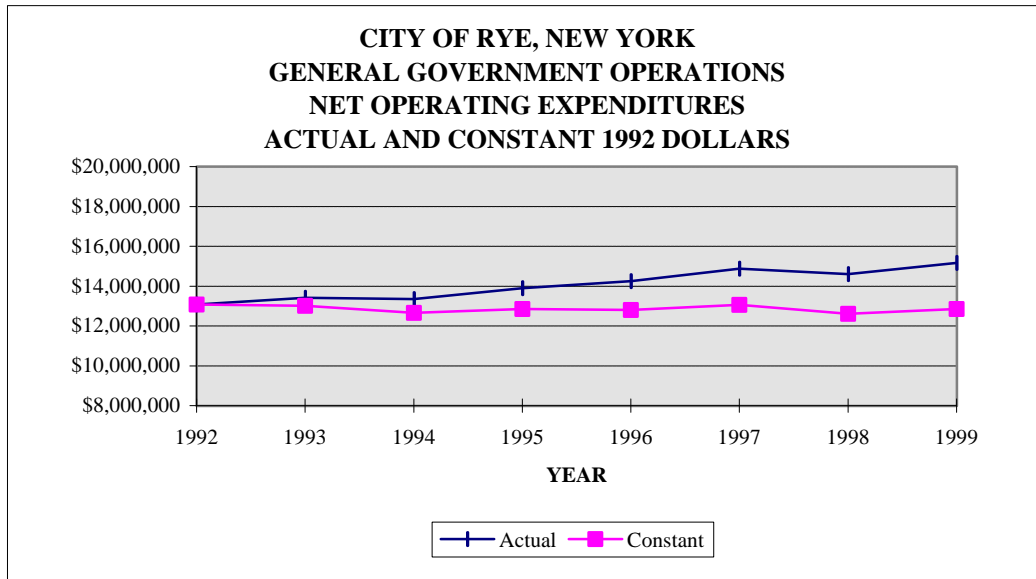
This indicator measures how dependent our revenue stream is on elastic revenues. Elastic revenues are defined as those revenues which may be affected by demographic or economic changes in our community. Elastic revenues include mortgage taxes, sales taxes and utility gross receipts taxes. Elastic revenues will rise as the economic base expands or inflation rises. While there was a period of decrease from 1993 - 1995, there was an increase since 1995 and the overall trend is positive. However, we must watch this indicator closely, as a downturn in the economy or a return of inflation could send it into a downward trend, requiring us to consider increases in other revenues such as taxes and user fees.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Operating Expenditures**

**Formula:** Net Operating Expenditures

**Warning Trend:** Increasing trend line



Year	Expenditures		Expenditures	
	Actual	CPI-U	Constant	
1992	\$13,068,355	150.0	\$13,068,355	
1993	\$13,407,201	154.5	\$13,016,700	
1994	\$13,354,781	158.2	\$12,662,561	
1995	\$13,896,199	162.2	\$12,850,986	
1996	\$14,252,167	166.9	\$12,809,018	
1997	\$14,878,737	170.8	\$13,066,806	
1998	\$14,601,234	173.6	\$12,616,274	
1999	\$15,172,517	177.0	\$12,858,065	

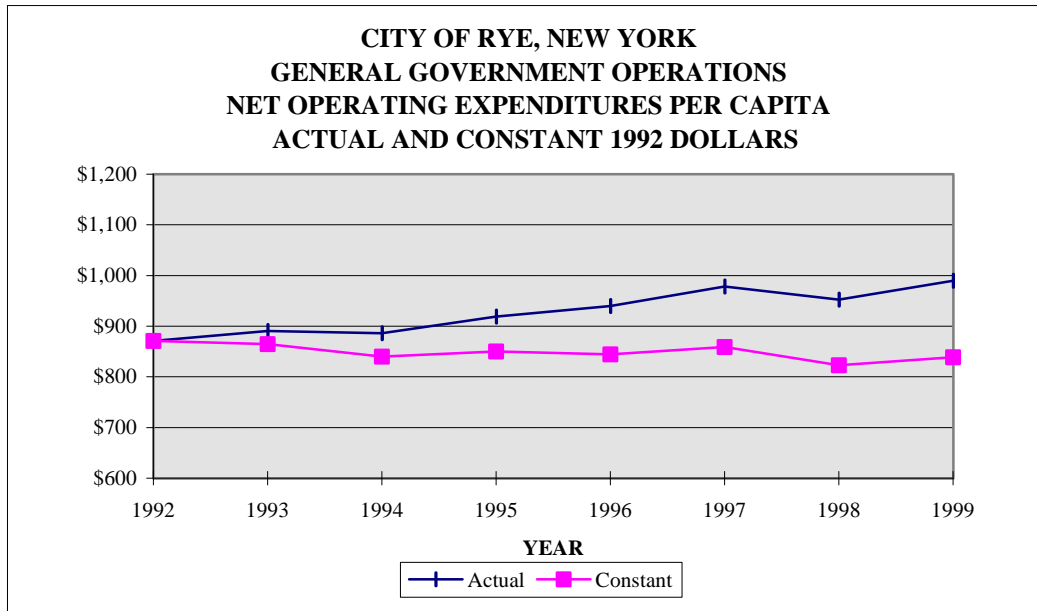
The purpose of this indicator is to show the trend of net operating expenditures and the effects of inflation on that trend. Our trend shows an increase in actual net operating expenditures, but when the effect of inflation is accounted for, the trend is flat. This has to be considered in light of the trend of our operating revenues as adjusted for inflation, and should also be considered when determining whether service levels are being maintained.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Operating Expenditures Per Capita**

**Formula:** Net Operating Expenditures/Population

**Warning Trend:** Increasing trend line



Year	Expenditures			Per Capita	
	Actual	Population	CPI-U	Actual	Constant
1992	\$13,068,355	15,005	150.0	\$871	\$871
1993	\$13,407,201	15,060	154.5	\$890	\$864
1994	\$13,354,781	15,071	158.2	\$886	\$840
1995	\$13,896,199	15,122	162.2	\$919	\$850
1996	\$14,252,167	15,164	166.9	\$940	\$845
1997	\$14,878,737	15,208	170.8	\$978	\$859
1998	\$14,601,234	15,326	173.6	\$953	\$823
1999	\$15,172,517	15,326	177.0	\$990	\$839

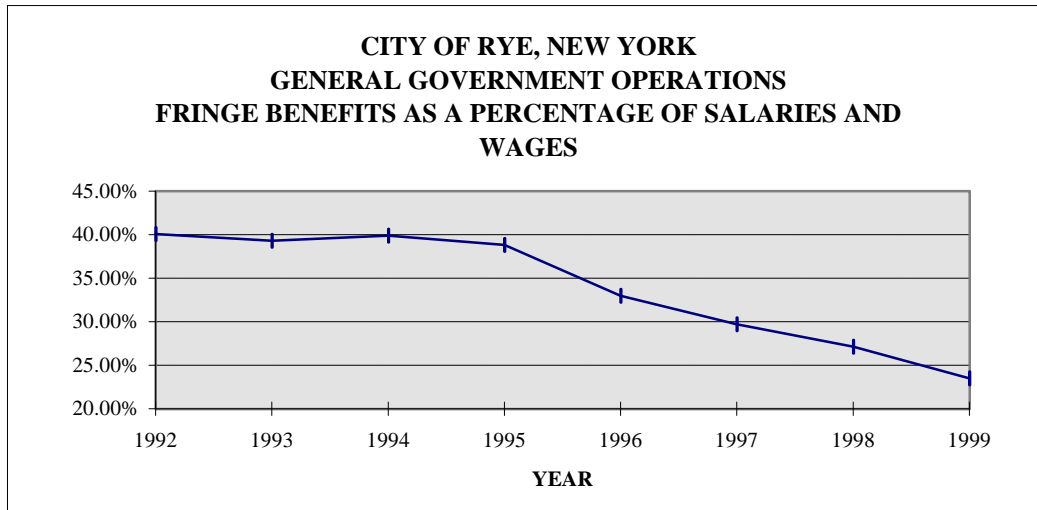
Net operating expenditures per capita indicate how much we are spending per person in terms of our City's population. A decrease in this indicator is a positive trend, indicating the cost-effective delivery of services, provided that it is not adversely affecting service levels to the point of community dissatisfaction. While the trend in terms of actual dollars is a negative one, when adjusted for inflation the trend is flat, and further indicates a positive trend when compared with the net operating revenues per capita.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Fringe Benefits to Salaries and Wages**

**Formula:** Fringe Benefits/Salaries and Wages

**Warning Trend:** Increasing trend line



Year	Fringe Benefits	Salaries and Wages	Percent
1992	\$2,505,635	\$6,253,242	40.07%
1993	\$2,550,367	\$6,488,231	39.31%
1994	\$2,616,773	\$6,559,665	39.89%
1995	\$2,660,784	\$6,851,656	38.83%
1996	\$2,405,584	\$7,292,070	32.99%
1997	\$2,292,852	\$7,722,645	29.69%
1998	\$2,097,626	\$7,734,443	27.12%
1999	\$1,912,941	\$8,142,398	23.49%

Salaries and employee benefits account for approximately 65% of our total net operating expenditures. Salaries are defined as compensation paid to all full-time, part-time and seasonal employees. Employee benefits are defined as the employer share of social security and Medicare (FICA), retirement, health insurance (including vision and dental), disability insurance and worker's compensation insurance costs. An increasing percentage of fringe benefits to salaries is a negative trend and may reveal increases in total compensation which may not otherwise be clearly seen in negotiated labor agreements. Our trend is a positive one, with fringe benefits decreasing from a high of 40% to the current low of 23%. This trend is attributed to improved safety and health programs for our employees, competitive rates for health and workers compensation insurance, and lower retirement rates due to positive financial results of the New York State Retirement Systems.

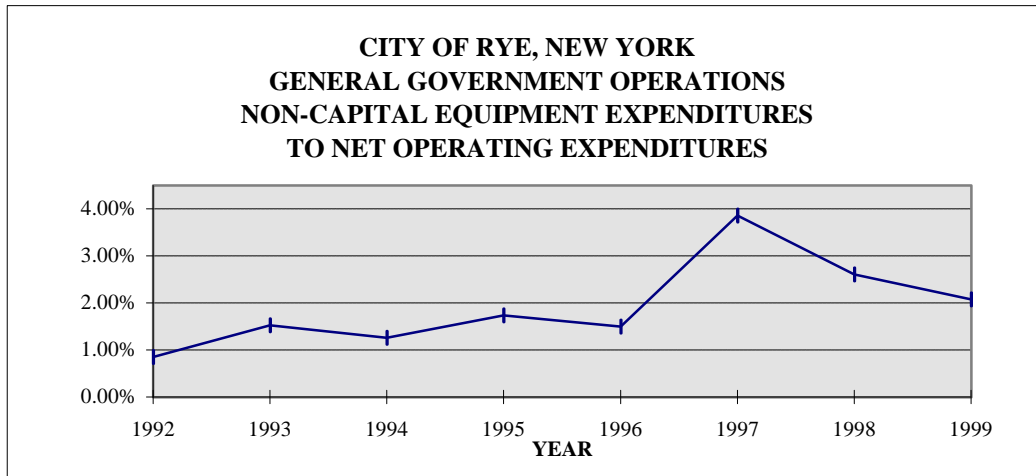
**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations**

**Non-capital Equipment Expenditures to Net Operating Expenditures**

**Formula:** Non-capital Equipment Expenditures/Net Operating Expenditures

**Warning Trend:** Decreasing trend line



Year	Equipment Costs	Net Operating Expenditures	Percent
1992	\$111,524	\$13,068,355	0.85%
1993	\$204,371	\$13,407,201	1.52%
1994	\$168,134	\$13,354,781	1.26%
1995	\$241,407	\$13,896,199	1.74%
1996	\$213,626	\$14,252,167	1.50%
1997	\$574,834	\$14,878,737	3.86%
1998	\$380,640	\$14,601,234	2.61%
1999	\$315,291	\$15,172,517	2.08%

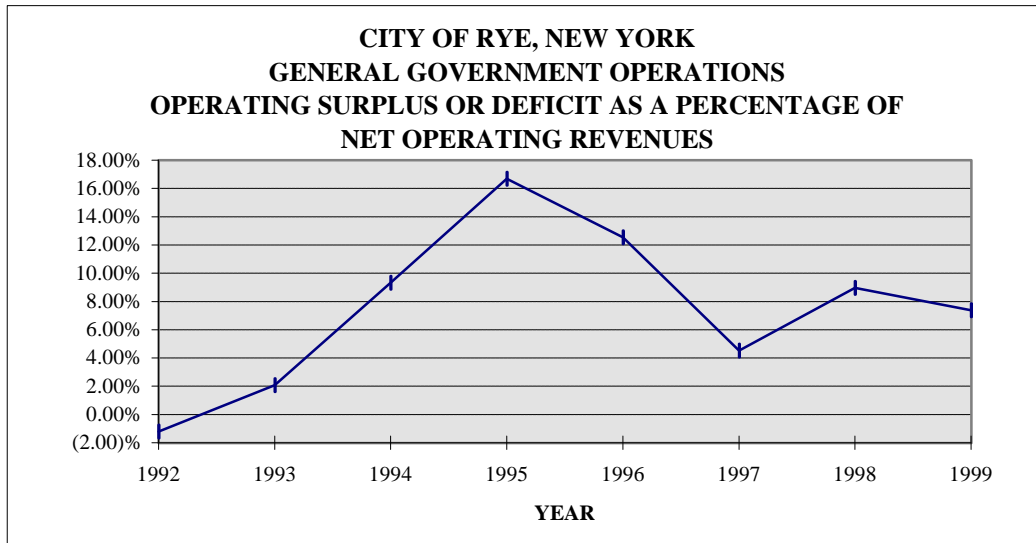
For purposes of this indicator, equipment is considered to be furniture and fixtures, office equipment (computers, printers, copiers, etc.) and other minor pieces of equipment with a value less than \$15,000 purchased with funds provided by the General Fund, Cable TV Fund and Nature Center Fund. This indicator measures our commitment to purchasing new equipment to replace aging equipment which may be costly to operate and maintain or technologically obsolete. Our trend was increasing slightly until 1997 when it took a dramatic rise, primarily reflecting major investments in computer systems, local area networks, our wide-area network, and Internet connectivity. The trend going forward is difficult at this time to ascertain. The vast majority of new equipment purchases are related to changes in technology, and while the changes occur with greater frequency (typically a major change every two to three years), the cost of such technology is decreasing just as dramatically.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Operating Surplus or Deficit to Net Operating Revenues**

**Formula:** Operating Surplus (Deficit)/Net Operating Revenues

**Warning Trend:** Trend line remaining below zero percent



Year	Operating Surplus (Deficit)	Net Operating Revenues	Percent
1992	(\$154,966)	\$12,913,389	(1.20)%
1993	\$284,078	\$13,691,279	2.07%
1994	\$1,372,928	\$14,727,709	9.32%
1995	\$2,477,593	\$14,848,353	16.69%
1996	\$1,930,572	\$15,396,596	12.54%
1997	\$705,016	\$15,583,753	4.52%
1998	\$1,436,750	\$16,037,984	8.96%
1999	\$1,239,944	\$16,795,641	7.38%

This indicator is a measure of our ability to meet annual expenditures with annual revenues. An operating surplus occurs when net operating revenues exceed net operating expenditures, and an operating deficit occurs when net operating expenditures exceed net operating revenues. It is a positive result when an operating surplus occurs, and an operating deficit is not necessarily a negative result, *provided that the operating deficit was planned*. Operating deficits are often planned when an amount of fund balance exists which is considered excessive and the excess amount is used to offset the cost of some programs and services. Except for a deficit in 1992, we have experienced operating surpluses ranging from 2% to over 16%.

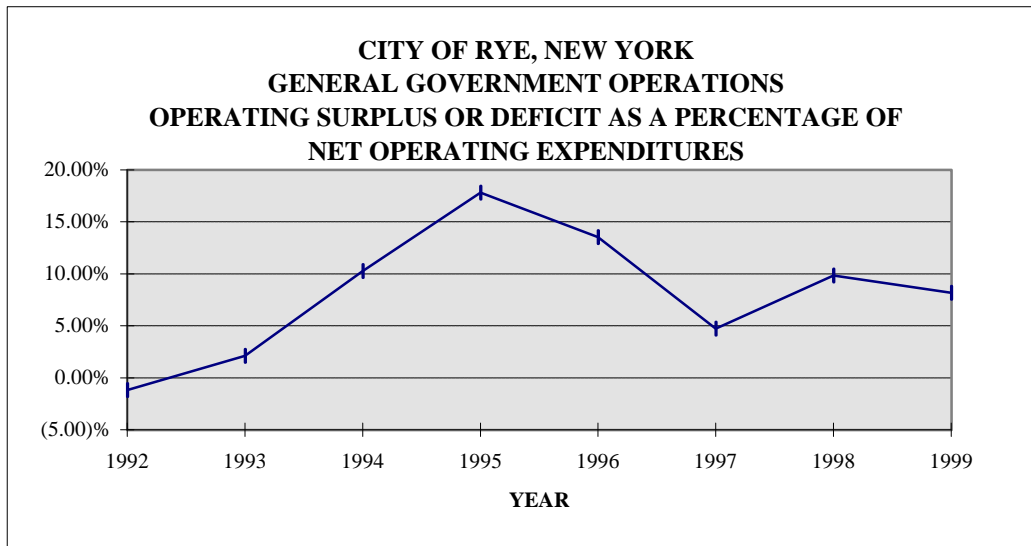
**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations**

**Operating Surplus or Deficit to Net Operating Expenditures**

**Formula:** Operating Surplus (Deficit)/Net Operating Expenditures

**Warning Trend:** Trend line remaining below zero percent



Year	Operating Surplus (Deficit)	Net Operating Expenditures	Percent
1992	(\$154,966)	\$13,068,355	(1.19)%
1993	\$284,078	\$13,407,201	2.12%
1994	\$1,372,928	\$13,354,781	10.28%
1995	\$2,477,593	\$13,896,199	17.83%
1996	\$1,930,572	\$14,252,167	13.55%
1997	\$705,016	\$14,878,737	4.74%
1998	\$1,436,750	\$14,601,234	9.84%
1999	\$1,239,944	\$15,172,517	8.17%

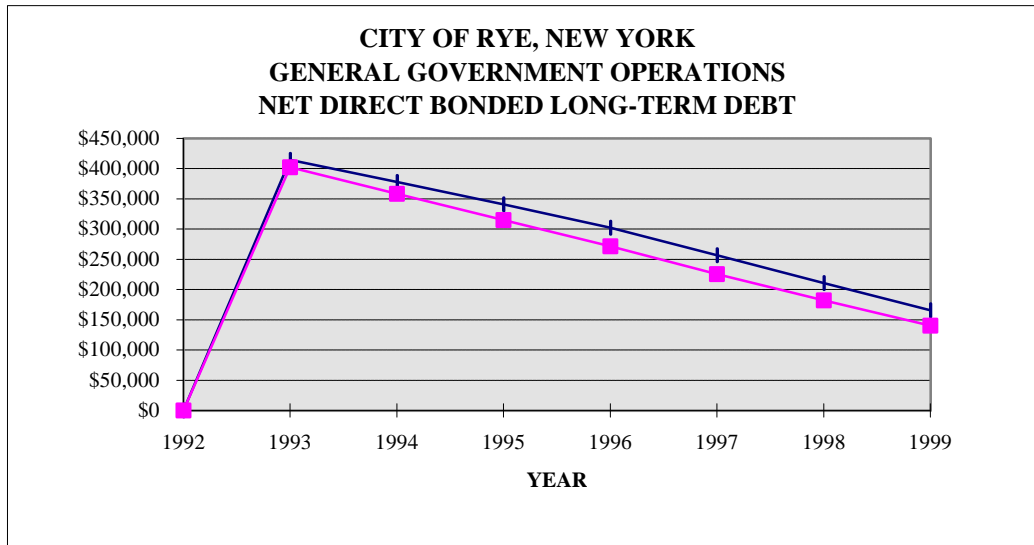
This indicator is another measure of our ability to meet annual expenditures with annual revenues, establishing the relationship between an operating surplus or deficit and net operating expenditures. Some prefer to use this indicator on the theory that expenditures are a better measure than revenues of a community's demands and requirements. Except for a deficit in 1992, we have experienced operating surpluses ranging from 2% to over 17% of net operating expenditures.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Direct Bonded Long-Term Debt**

**Formula:** Net Direct Bonded Long-Term Debt

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	CPI-U	Net Direct Long-Term Debt
	Actual		Constant
1992	\$0	150.0	\$0
1993	\$414,348	154.5	\$402,280
1994	\$378,158	158.2	\$358,557
1995	\$340,725	162.2	\$315,097
1996	\$302,183	166.9	\$271,584
1997	\$256,573	170.8	\$225,328
1998	\$210,824	173.6	\$182,164
1999	\$165,525	177.0	\$140,275

Net direct bonded long-term debt is defined as general obligation debt (bonds) which is not otherwise accounted for in a proprietary fund (Boat Basin Fund, Golf Club Fund, Risk Retention Fund, and Building and Vehicle Maintenance Fund). We measure this trend in actual and constant dollars. Increasing outstanding debt impairs our ability to borrow in the future and provides less flexibility in the programming of budgeted funds. An increase in this indicator may be viewed as a negative one, but must take into account the overall debt outstanding and the purposes served by that debt. Our trend has been a positive one, but we do expect some increases for infrastructure improvements in the near future.

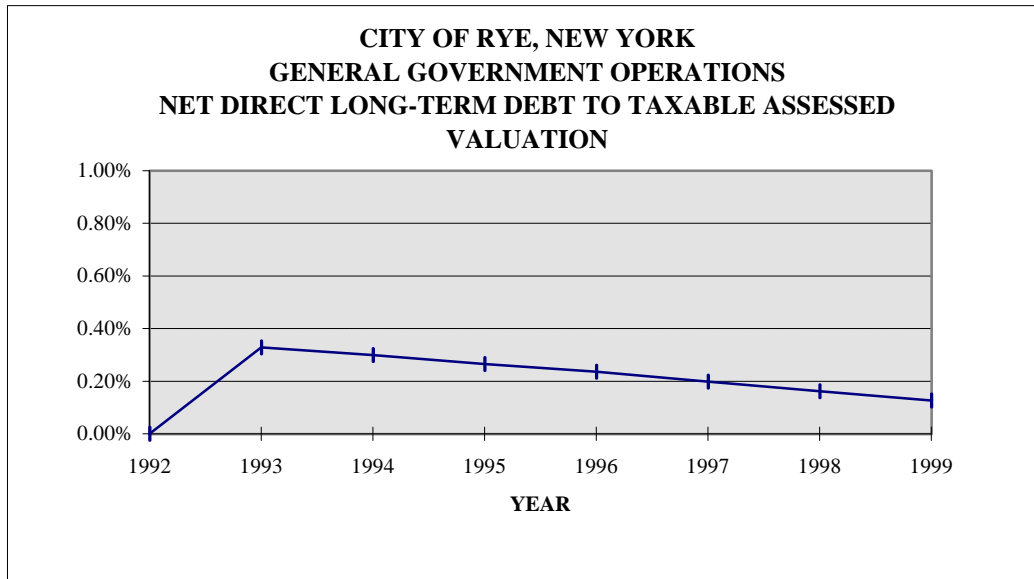
**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations**

**Net Direct Bonded Long-Term Debt to Taxable Assessed Valuation**

**Formula:** Net Direct Bonded Long-Term Debt/Taxable Assessed Valuation

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	Taxable Assessed Valuation	Percent
1992	\$0	\$126,595,822	0.00%
1993	\$414,348	\$126,267,448	0.33%
1994	\$378,158	\$126,123,883	0.30%
1995	\$340,725	\$128,197,021	0.27%
1996	\$302,183	\$128,172,616	0.24%
1997	\$256,573	\$129,240,016	0.20%
1998	\$210,824	\$130,261,141	0.16%
1999	\$165,525	\$130,271,093	0.13%

This indicator puts into perspective our outstanding long-term debt in relationship to our taxable assessed valuation, allowing us to determine if we have sufficient taxing power to afford current and future debt. Our trend is positive (decreasing), and indicates an extremely low percentage (less than 1/4 of 1 percent) of outstanding debt in comparison to our taxable assessed valuation.

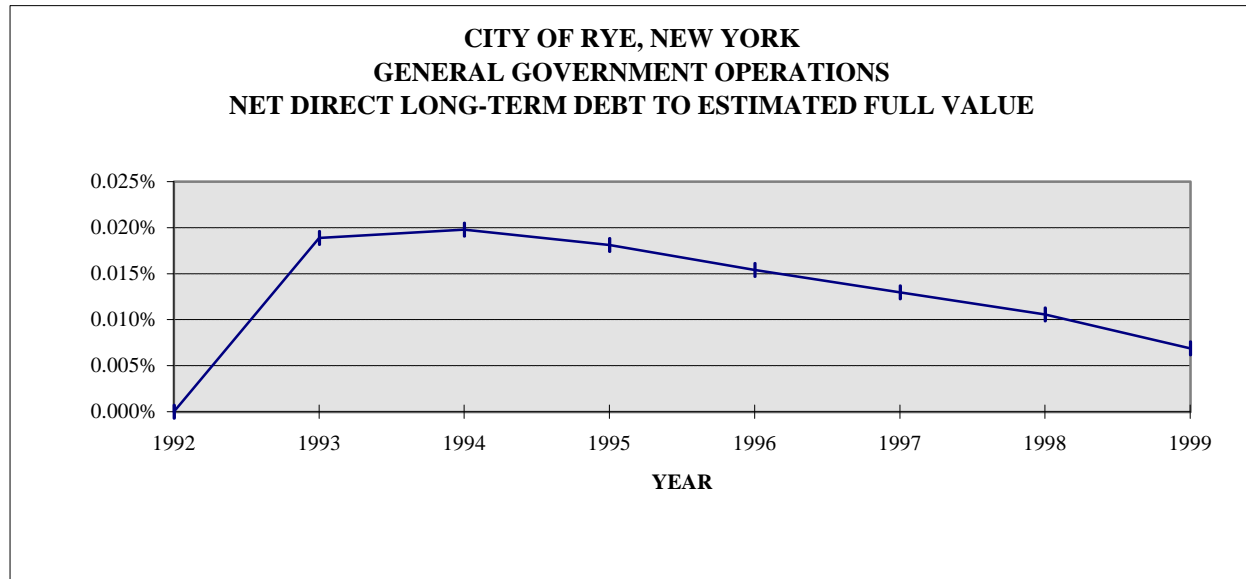
**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations**

**Net Direct Bonded Long-Term Debt to Estimated Full Valuation**

**Formula:** Net Direct Bonded Long-Term Debt/Estimated Full Valuation

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	Taxable Assessed Valuation	State Equalization Rate	Estimated Full Value	Percent
1992	\$0	\$126,595,822	5.77%	\$2,194,035,043	0.000%
1993	\$414,348	\$126,267,448	5.75%	\$2,195,955,617	0.019%
1994	\$378,158	\$126,123,883	6.60%	\$1,910,967,924	0.020%
1995	\$340,725	\$128,197,021	6.82%	\$1,879,721,716	0.018%
1996	\$302,183	\$128,172,616	6.53%	\$1,962,827,198	0.015%
1997	\$256,573	\$129,240,016	6.53%	\$1,979,173,292	0.013%
1998	\$210,824	\$130,261,141	6.53%	\$1,994,810,735	0.011%
1999	\$165,525	\$130,271,093	5.42%	\$2,403,525,701	0.007%

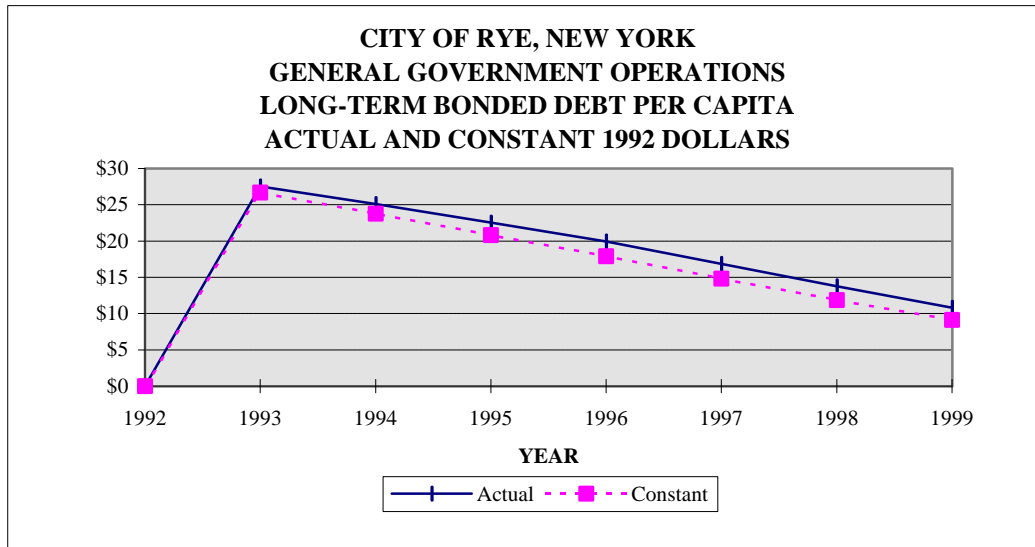
Estimated full value is calculated by taking the taxable assessed value and dividing it by our State equalization rate in an attempt to reach a market value estimate. This indicator is similar to our net long-term debt to taxable assessed value, and is included in this report as it is used by Moody's Investors Service in their ratings process. Moody's 1997 median for cities of our population size is 1.7%. At less than one-hundredth of one percent, our ratio is extremely favorable.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Direct Bonded Long-Term Debt Per Capita**

**Formula:** Net Direct Bonded Long-Term Debt/Population

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	CPI-U	Constant Dollars	Population	Debt Per Capita Actual	Debt Per Capita Constant
1992	\$0	150.0	\$0	15,005	\$0	\$0
1993	\$414,348	154.5	\$402,280	15,060	\$28	\$27
1994	\$378,158	158.2	\$358,557	15,071	\$25	\$24
1995	\$340,725	162.2	\$315,097	15,122	\$23	\$21
1996	\$302,183	166.9	\$271,584	15,164	\$20	\$18
1997	\$256,573	170.8	\$225,328	15,208	\$17	\$15
1998	\$210,824	173.6	\$182,164	15,326	\$14	\$12
1999	\$165,525	177.0	\$140,275	15,326	\$11	\$9

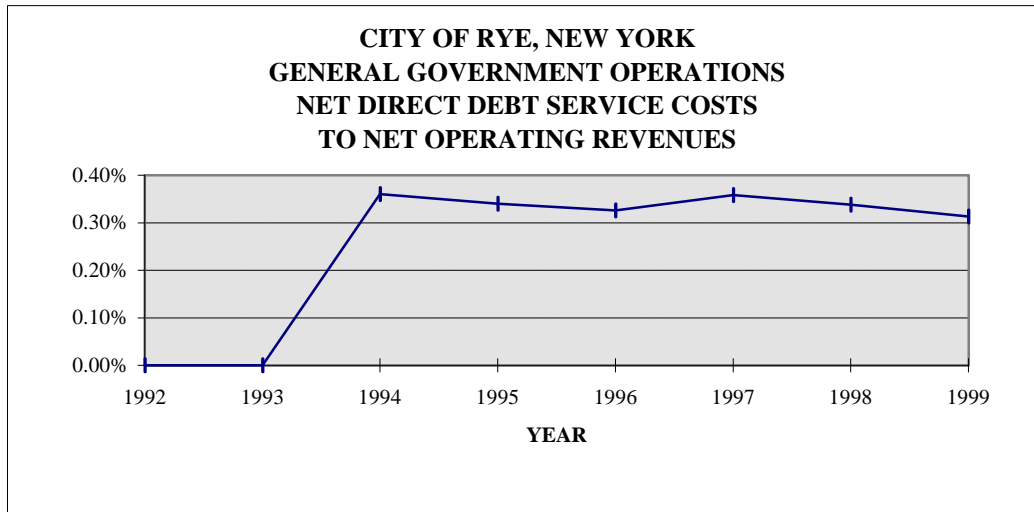
Long-term debt per capita is an indicator used to measure the burden of debt per person. Theoretically, as debt increases and population remains the same or decreases, the amount of debt per person becomes an increasing burden and the ability to repay such debt may someday be in jeopardy. Moody's 1997 median for cities of our size in population is \$811 per capita. Our ratio is a very favorable one of \$9 in 1999.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Direct Debt Service to Net Operating Revenues**

**Formula:** Net Direct Debt Service/Net Operating Revenues

**Warning Trend:** Increasing trend line



Year	Net Direct Debt Service	Net Operating Revenues	Percent
1992	\$0	\$12,913,389	0.00%
1993	\$0	\$13,691,279	0.00%
1994	\$53,042	\$14,727,709	0.36%
1995	\$50,493	\$14,848,353	0.34%
1996	\$50,161	\$15,396,596	0.33%
1997	\$55,792	\$15,583,753	0.36%
1998	\$54,164	\$16,037,984	0.34%
1999	\$52,536	\$16,795,641	0.31%

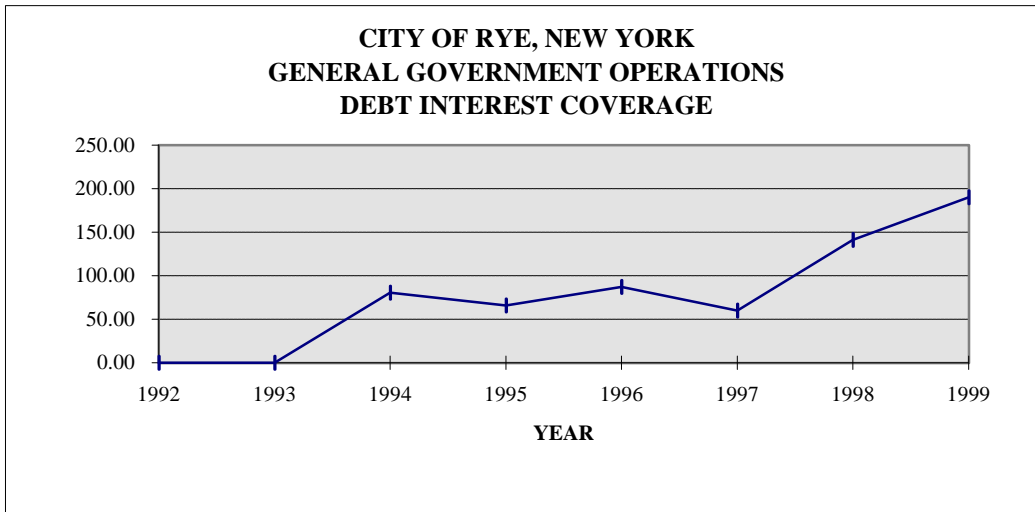
Debt service is defined as the annual principal and interest payments due on long-term debt. The debt service to net operating revenue indicator measures the ability of our revenue stream to meet annual debt payments. The International City/County Management Association (ICMA) considers a ratio of 10% to be acceptable. Our trend indicates a ratio of less than 4/10 of 1%.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Debt Interest Coverage**

**Formula:** Net Revenues/Debt Interest

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Interest	Debt Interest Coverage
1992	(\$154,966)	\$0	0.00
1993	\$284,078	\$0	0.00
1994	\$1,372,928	\$17,042	80.56
1995	\$952,154	\$14,493	65.70
1996	\$1,144,429	\$13,161	86.96
1997	\$705,016	\$11,792	59.79
1998	\$1,436,750	\$10,164	141.36
1999	\$1,623,124	\$8,536	190.15

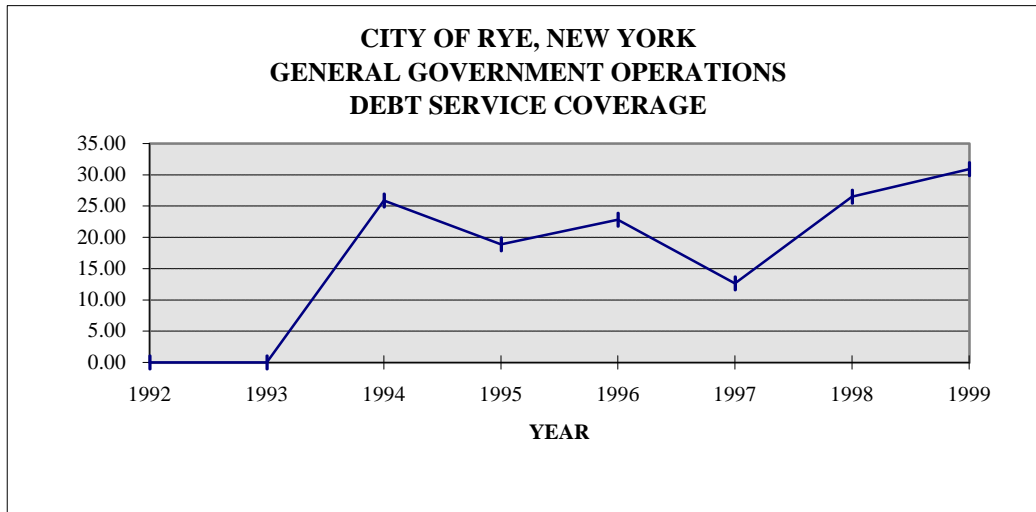
Debt interest coverage is a ratio used to evaluate the ability of a municipality to cover its debt interest costs with net operating revenues. Since this is an x:1 ratio, an increasing trend is a positive trend. Our debt interest coverage is over 190:1 as of 1999 and has increased since 1993.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Debt Service Coverage**

**Formula:** Net Revenues/Debt Principal + Interest

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Service	Debt Service Coverage
1992	(\$154,966)	\$0	N/A
1993	\$284,078	\$0	N/A
1994	\$1,372,928	\$53,042	25.88
1995	\$952,154	\$50,493	18.86
1996	\$1,144,429	\$50,161	22.82
1997	\$705,016	\$55,792	12.64
1998	\$1,436,750	\$54,164	26.53
1999	\$1,623,124	\$52,536	30.90

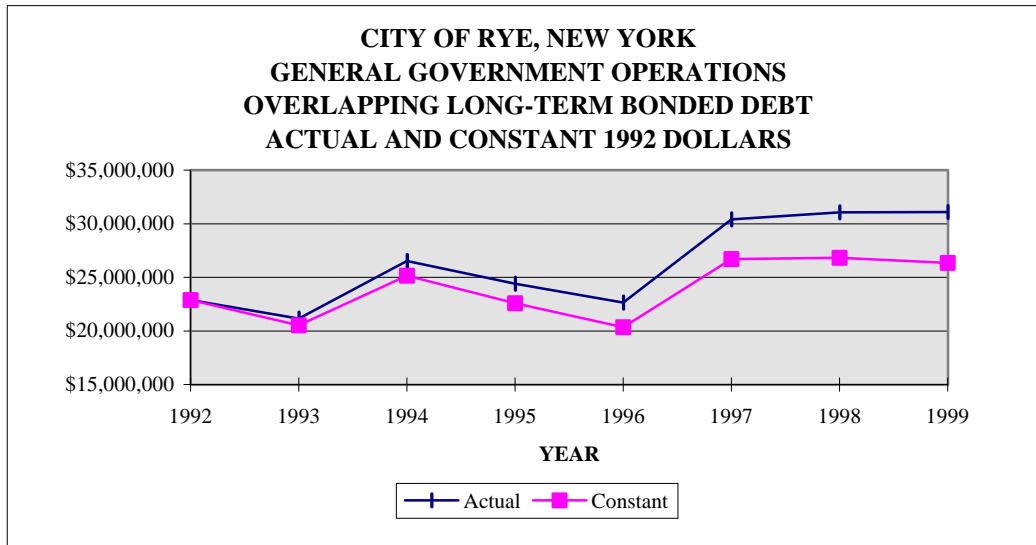
Debt service coverage is a ratio used to evaluate the ability of a municipality to cover its debt service costs (annual principal and interest) with net operating revenues. Since this is an x:1 ratio, an increasing trend is a positive trend. Our debt service coverage is almost 31:1 as of 1999 and with the exception of some increases and decreases, the overall trend since 1993 is flat.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Overlapping Bonded Debt**

**Formula:** Long-Term Overlapping Bonded Debt

**Warning Trend:** Increasing trend line



Year	Overlapping Debt	CPI-U	Overlapping Debt
	Actual		Constant
1992	\$22,871,595	150.0	\$22,871,595
1993	\$21,144,232	154.5	\$20,528,381
1994	\$26,510,673	158.2	\$25,136,542
1995	\$24,415,334	162.2	\$22,578,916
1996	\$22,644,696	166.9	\$20,351,734
1997	\$30,406,003	170.8	\$26,703,164
1998	\$31,053,089	173.6	\$26,831,586
1999	\$31,090,224	177.0	\$26,347,647

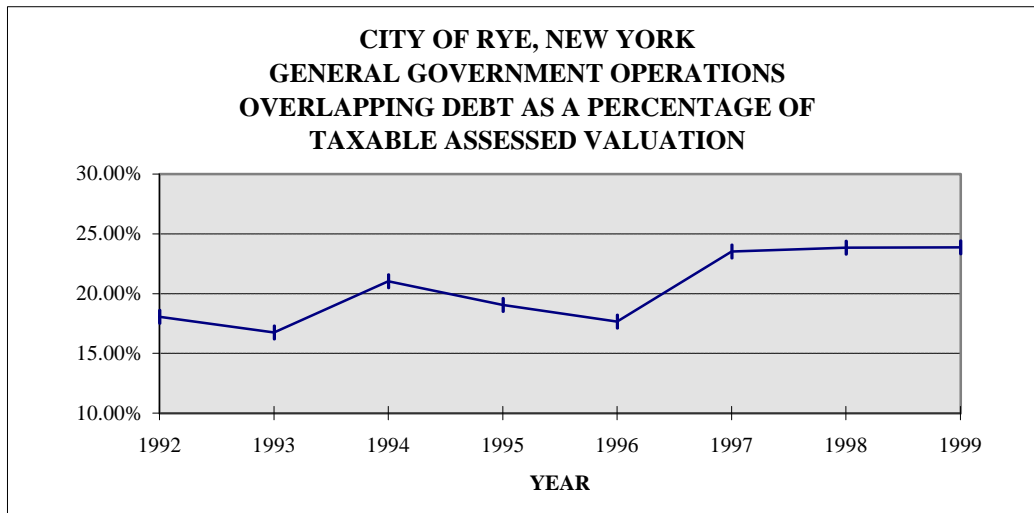
Overlapping long-term debt is the net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of a community. For instance, Westchester County and the school districts in our community incur debt for their own purposes, and part of their respective tax levies on our property owners are used to pay down that debt. Overlapping debt can place an economic burden on our taxpayers, even if the City's debt level is low. Our indicator is measured in actual and constant dollars. The trend is positive in that while in actual dollars it has risen from \$23 million to \$31 million, adjusted for inflation it has only risen from \$23 million to \$26 million (less than 2% per year).

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Overlapping Bonded Debt to Taxable Assessed Valuation**

**Formula:** Long-Term Overlapping Bonded Debt/Taxable Assessed Valuation

**Warning Trend:** Increasing trend line



Year	Overlapping Bonded Debt	Taxable Assessed Valuation	Percent
1992	\$22,871,595	\$126,595,822	18.07%
1993	\$21,144,232	\$126,267,448	16.75%
1994	\$26,510,673	\$126,123,883	21.02%
1995	\$24,415,334	\$128,197,021	19.05%
1996	\$22,644,696	\$128,172,616	17.67%
1997	\$30,406,003	\$129,240,016	23.53%
1998	\$31,053,089	\$130,261,141	23.84%
1999	\$31,090,224	\$130,271,093	23.87%

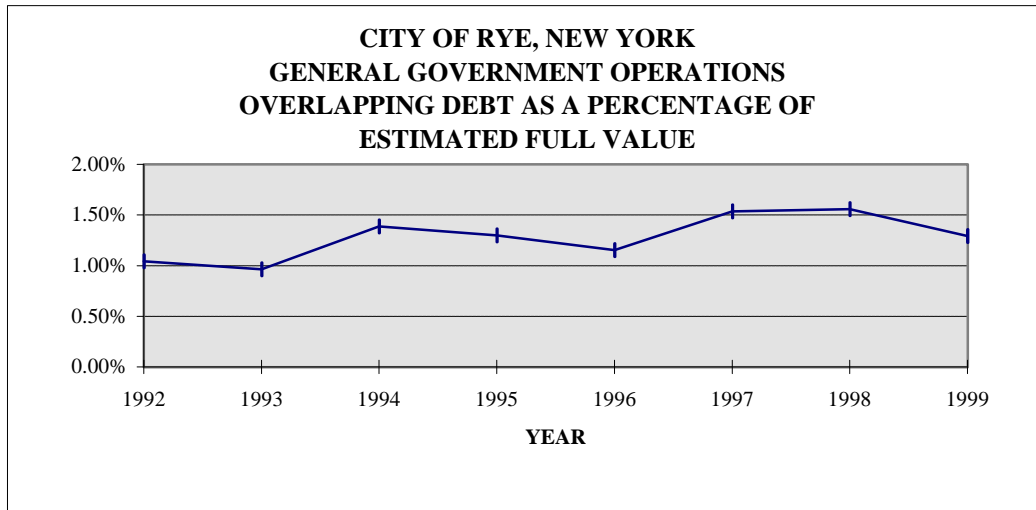
Overlapping long-term debt as a percentage of taxable assessed valuation measures the ability of other governments to tax our property owners for the repayment of outstanding debt. The ratio has slowly increased from 18% to almost 24%. While this is not a cause for immediate concern, a continuing increase in the trend may signal a need for the various local governments (county, school districts and city) to coordinate their efforts in terms of long-term financing initiatives.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Overlapping Bonded Debt to Estimated Full Valuation**

**Formula:** Long-Term Overlapping Bonded Debt/Estimated Full Valuation

**Warning Trend:** Increasing trend line



Year	Overlapping Bonded Debt	Taxable Assessed Valuation	State Equalization Rate	Estimated Full Value	Percent Actual
1992	\$22,871,595	\$126,595,822	5.77%	\$2,194,035,043	1.04%
1993	\$21,144,232	\$126,267,448	5.75%	\$2,195,955,617	0.96%
1994	\$26,510,673	\$126,123,883	6.60%	\$1,910,967,924	1.39%
1995	\$24,415,334	\$128,197,021	6.82%	\$1,879,721,716	1.30%
1996	\$22,644,696	\$128,172,616	6.53%	\$1,962,827,198	1.15%
1997	\$30,406,003	\$129,240,016	6.53%	\$1,979,173,292	1.54%
1998	\$31,053,089	\$130,261,141	6.53%	\$1,994,810,735	1.56%
1999	\$31,090,224	\$130,271,093	5.42%	\$2,403,525,701	1.29%

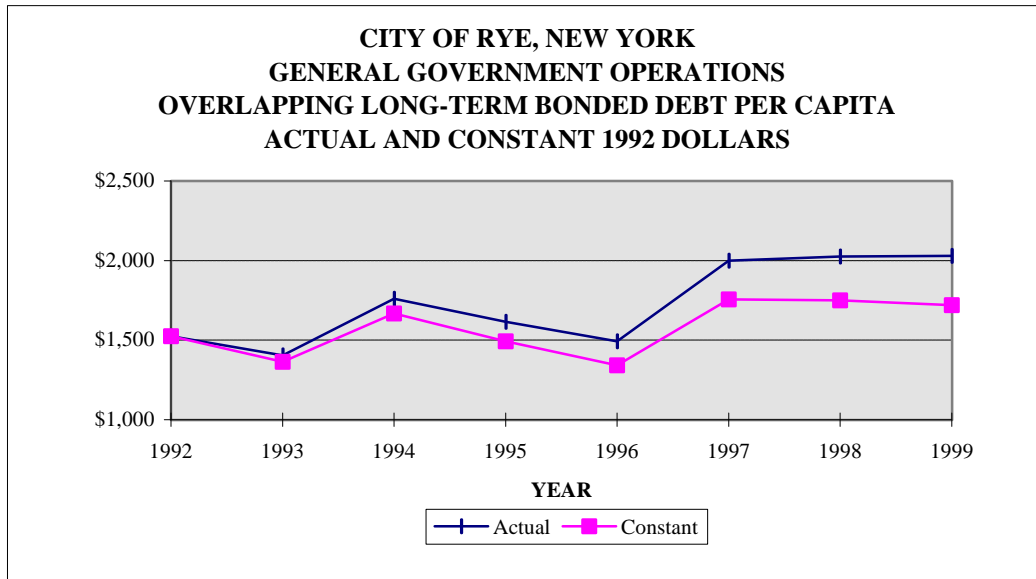
Overlapping long-term debt as a percentage of estimated full value is an indicator used by Moody's in their ratings analysis. The 1997 median used by Moody's for cities of our population size is 3.3% and our trend has remained relatively flat with a favorable ratio averaging 1.28%.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Net Direct Bonded Overlapping Debt Per Capita**

**Formula:** Net Direct Bonded Overlapping Debt/Population

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	CPI-U	Constant Dollars	Population	Debt Per Capita Actual	Debt Per Capita Constant
1992	\$22,871,595	150.0	\$22,871,595	15,005	\$1,524	\$1,524
1993	\$21,144,232	154.5	\$20,528,381	15,060	\$1,404	\$1,363
1994	\$26,510,673	158.2	\$25,136,542	15,071	\$1,759	\$1,668
1995	\$24,415,334	162.2	\$22,578,916	15,122	\$1,615	\$1,493
1996	\$22,644,696	166.9	\$20,351,734	15,164	\$1,493	\$1,342
1997	\$30,406,003	170.8	\$26,703,164	15,208	\$1,999	\$1,756
1998	\$31,053,089	173.6	\$26,831,586	15,326	\$2,026	\$1,751
1999	\$31,090,224	177.0	\$26,347,647	15,326	\$2,029	\$1,719

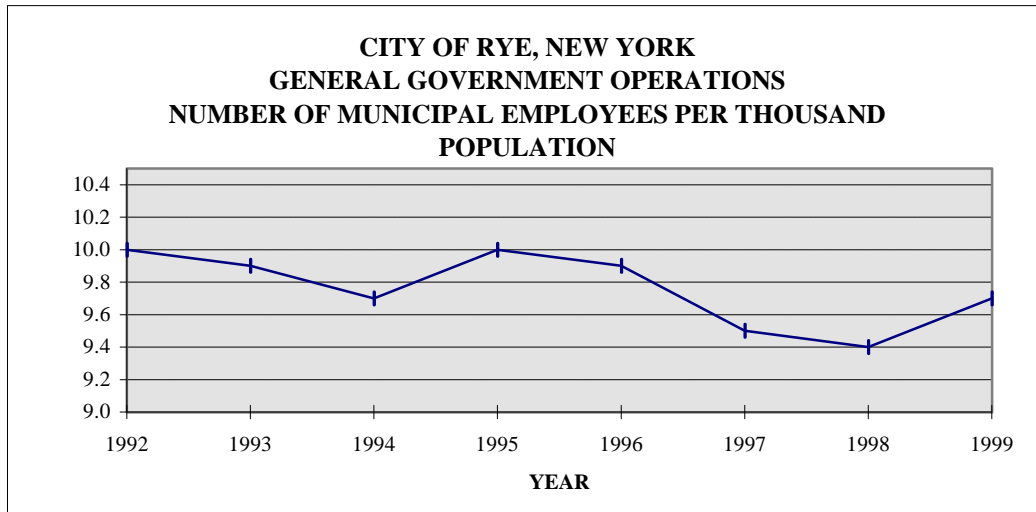
Overlapping long-term debt per capita is another indicator used by Moody's in their ratings analysis. The 1997 median used by Moody's for cities of our population size is \$1,579. Our 1999 overlapping debt per capita is \$2,029. It should be noted that Moody's high per capita rate for 1997 is \$7,959.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Municipal Employees Per Capita**

**Formula:** Number of Municipal Employees/Population

**Warning Trend:** Increasing trend line



Year	Municipal Employees	Population	Employees Per Thousand Population
1992	150	15,005	10.0
1993	150	15,060	9.9
1994	146	15,071	9.7
1995	151	15,122	10.0
1996	151	15,164	9.9
1997	145	15,208	9.5
1998	144	15,326	9.4
1999	149	15,326	9.7

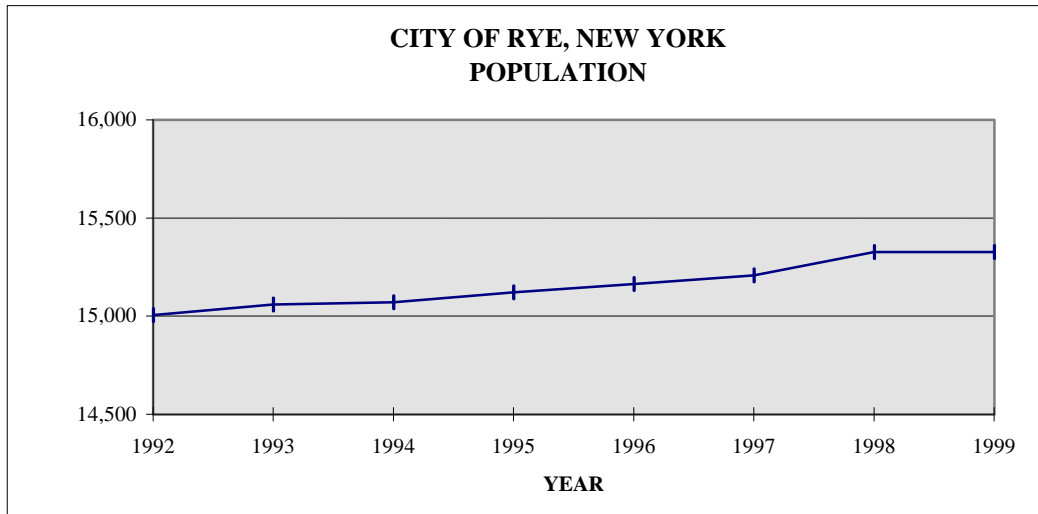
Municipal employees for purposes of this indicator are defined as the full time employees actually in service at year end as recorded in our Annual Budget document, and we have chosen to present this on a per thousand population basis. As stated earlier in this report, labor costs are a major portion of annual operating expenses, and the first few years of employment with the City generally account for the greatest percentage increases in total compensation. An increasing trend in the number of full time employees may foretell expenditures rising faster than revenues, a government that is becoming more labor intensive, and/or a reduction in employee productivity. Our ratio shows a stable trend working within a very narrow range, averaging 9.8 per year.

**City of Rye, New York  
1999 Financial Trends Report**

**General Government Operations  
Population**

**Formula:** Estimated Population per the U.S. Census Bureau

**Warning Trend:** Decreasing trend line



Year	Population
1992	15,005
1993	15,060
1994	15,071
1995	15,122
1996	15,164
1997	15,208
1998	15,326
1999	15,326

Changes in population may require us to reconsider the level of programs and services we offer, and the ability of our community to fund such programs and services. Our population estimates are per the U.S. Census Bureau, increasing from 15,005 in 1992 to 15,326 in 1998 (1999 estimates were not available when this document was published). Taken by itself, this nominal change would not indicate a trend requiring a re-evaluation of service levels.

***Boat Basin Enterprise Fund***

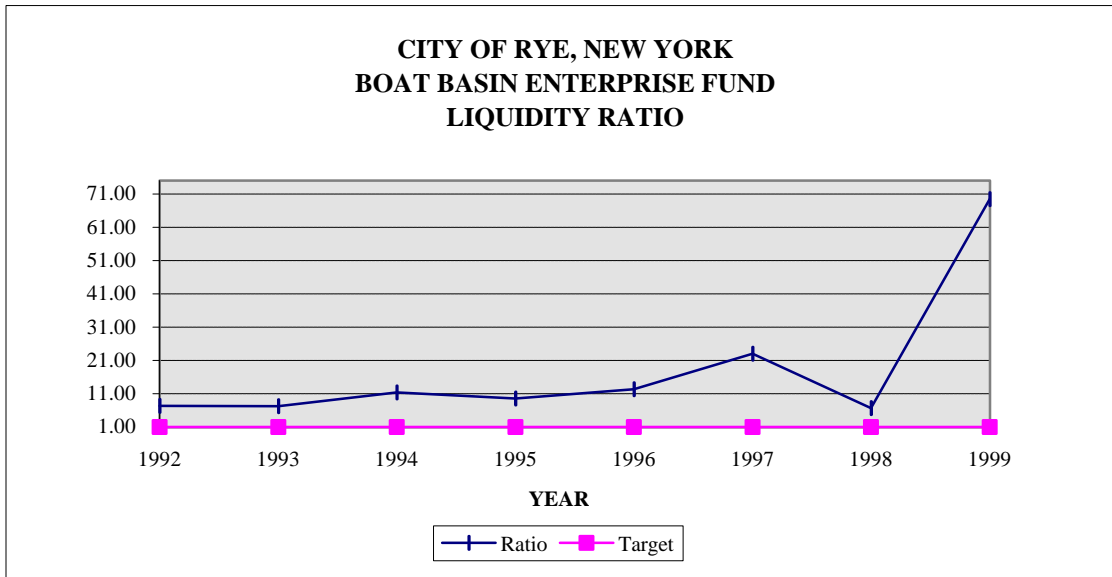
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**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Liquidity Ratio**

**Formula:** Cash and Short-Term Investments/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Cash and Short-Term Investments	Current Liabilities	Liquidity Ratio	Target
1992	\$465,597	\$63,668	7.31	1.00
1993	\$531,976	\$72,965	7.29	1.00
1994	\$259,757	\$22,789	11.40	1.00
1995	\$313,692	\$32,855	9.55	1.00
1996	\$396,664	\$32,135	12.34	1.00
1997	\$462,289	\$20,111	22.99	1.00
1998	\$590,554	\$88,025	6.71	1.00
1999	\$451,772	\$6,511	69.39	1.00

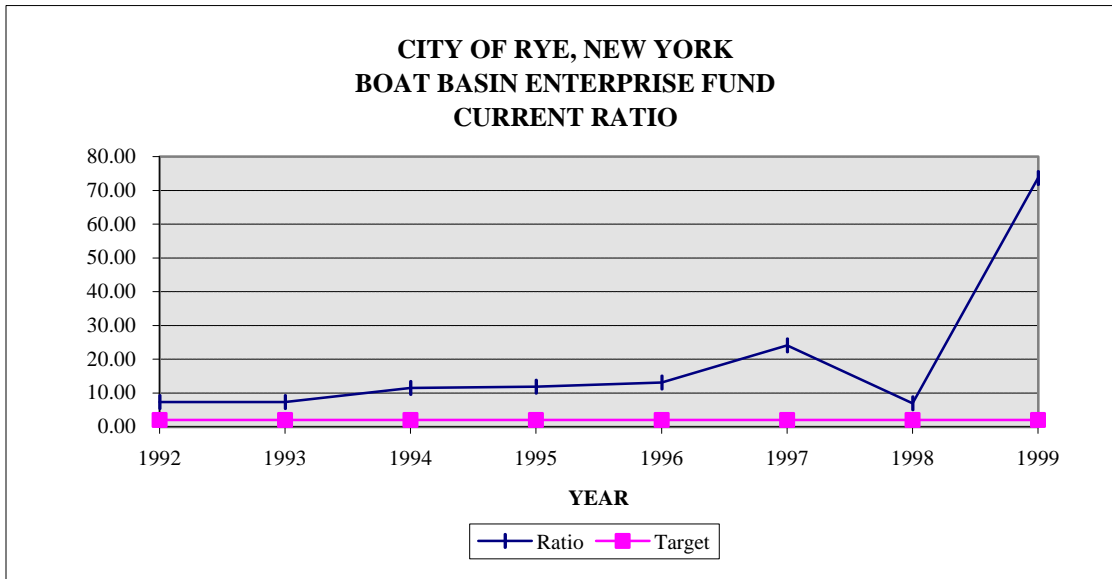
The liquidity ratio of the Boat Basin Fund remains very strong. The dramatic increase in this indicator in 1999 is the result of a minimal (\$6,511) balance of current liabilities at the December 31 balance sheet date.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Current Ratio**

**Formula:** Current Assets/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1992	\$466,974	\$63,668	7.33	2.00
1993	\$533,821	\$72,965	7.32	2.00
1994	\$260,820	\$22,789	11.44	2.00
1995	\$388,814	\$32,855	11.83	2.00
1996	\$418,920	\$32,135	13.04	2.00
1997	\$484,996	\$20,111	24.12	2.00
1998	\$612,875	\$88,025	6.96	2.00
1999	\$479,762	\$6,511	73.68	2.00

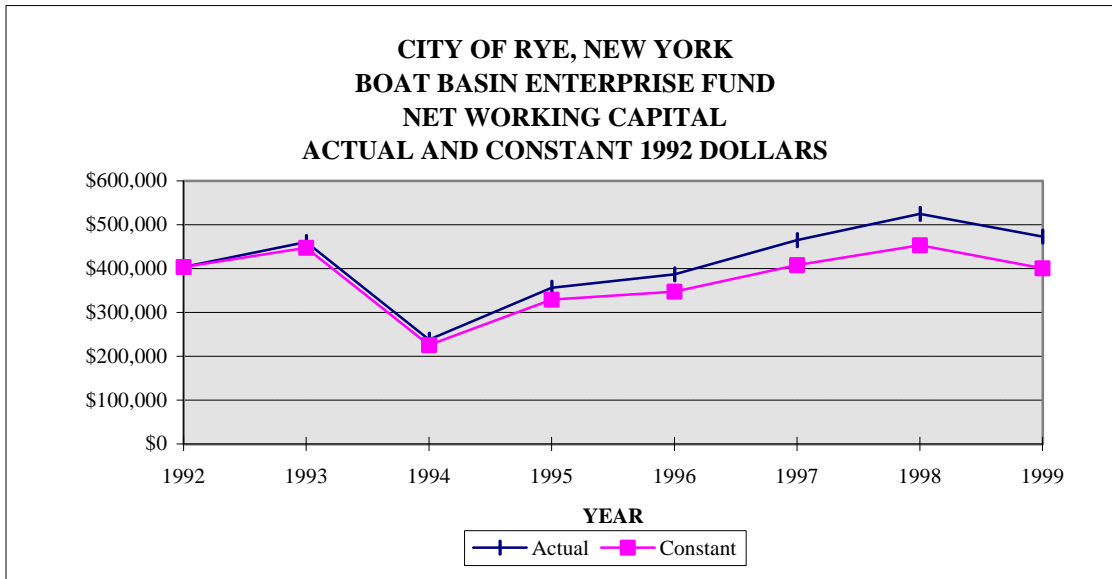
As with the liquidity ratio, the current ratio of the Boat Basin Fund is also very strong, having a ratio very positive and far beyond normal expectations. Like the liquidity ratio, the dramatic rise in this ratio in 1999 is the result of a minimal amount of outstanding current liabilities at year end.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Working Capital**

**Formula:** Current Assets - Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Net Working Capital		Net Working Capital Constant
			Actual	CPI-U	
1992	\$466,974	\$63,668	\$403,306	150.0	\$403,306
1993	\$533,821	\$72,965	\$460,856	154.5	\$447,433
1994	\$260,820	\$22,789	\$238,031	158.2	\$225,693
1995	\$388,814	\$32,855	\$355,959	162.2	\$329,185
1996	\$418,920	\$32,135	\$386,785	166.9	\$347,620
1997	\$484,996	\$20,111	\$464,885	170.8	\$408,271
1998	\$612,875	\$88,025	\$524,850	173.6	\$453,499
1999	\$479,762	\$6,511	\$473,251	177.0	\$401,060

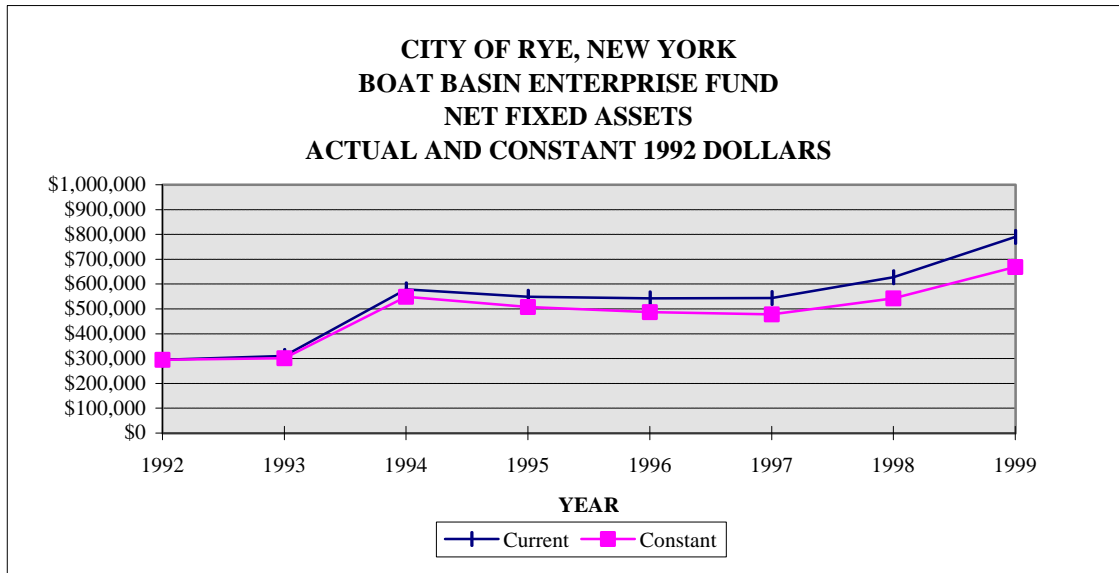
Net working capital is defined as current assets less current liabilities, and is another measure of our ability to pay off current amounts due with currently available funds and liquid assets. A positive trend in this indicator is a rising trend. The 1999 actual dollar net working capital amount of \$473,251 exceeds the eight year average of \$413,490 for this indicator. Both the average and the 1999 amounts indicate a positive trend.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Fixed Assets**

**Formula:** Fixed Assets - Accumulated Depreciation

**Warning Trend:** Decreasing trend line



Year	Fixed Assets	Accumulated Depreciation	Net Fixed Assets	CPI-U	Net Fixed Assets
			Current		Constant
1992	\$397,020	\$102,559	\$294,461	150.0	\$294,461
1993	\$460,335	\$149,203	\$311,132	154.5	\$302,070
1994	\$777,847	\$198,838	\$579,009	158.2	\$548,997
1995	\$804,615	\$255,103	\$549,512	162.2	\$508,180
1996	\$854,243	\$312,015	\$542,228	166.9	\$487,323
1997	\$916,539	\$372,090	\$544,449	170.8	\$478,146
1998	\$1,030,059	\$402,795	\$627,264	173.6	\$541,991
1999	\$1,232,489	\$443,037	\$789,452	177.0	\$669,027

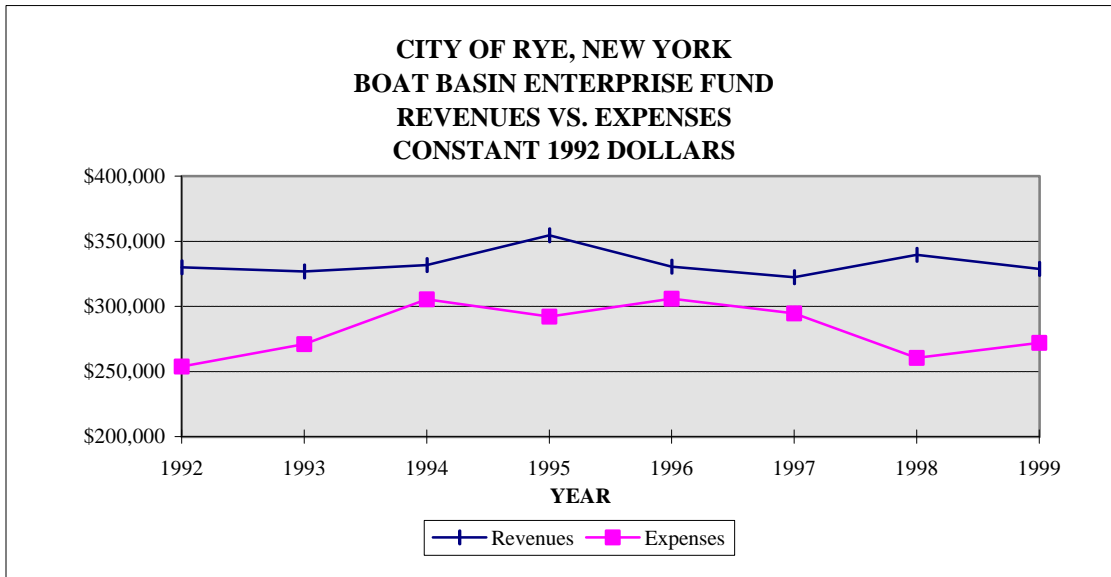
Net fixed assets are defined as fixed assets (land, buildings, and equipment) less accumulated depreciation. This indicator measures our commitment to replacing such assets when they are no longer cost-effective to operate and maintain or are obsolete. The trend line indicates a substantial (168%) increase from 1992 to 1999, which represents a positive trend.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Operating Revenues vs. Net Operating Expenses**

**Formula:** Net Operating Revenues; Net Operating Expenses

**Warning Trend:** Decreasing distance between trend lines



Year	Actual Revenues	Actual Expenses	CPI-U	Constant Revenues	Constant Expenses
1992	\$330,049	\$253,709	150.0	\$330,049	\$253,709
1993	\$336,693	\$279,122	154.5	\$326,886	\$270,992
1994	\$349,881	\$321,974	158.2	\$331,746	\$305,285
1995	\$383,401	\$316,001	162.2	\$354,563	\$292,233
1996	\$367,803	\$340,486	166.9	\$330,560	\$306,009
1997	\$367,013	\$335,471	170.8	\$322,318	\$294,617
1998	\$392,956	\$301,545	173.6	\$339,536	\$260,552
1999	\$387,843	\$321,000	177.0	\$328,681	\$272,034

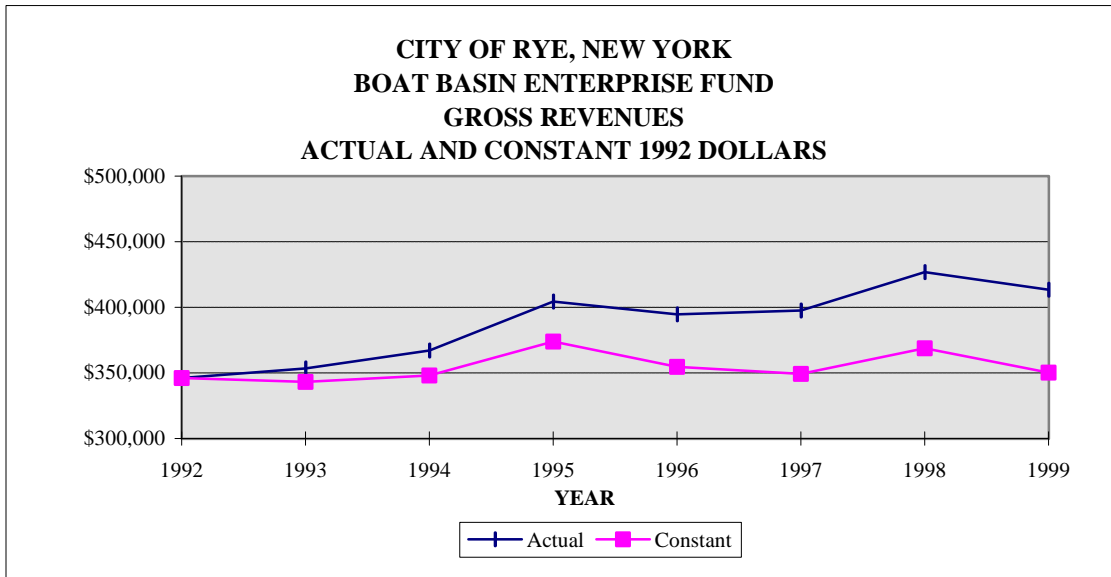
Within the 1992 to 1999 timeline, revenues of the Boat Basin have always been above expenses. In some years the difference between them was greater than in other years. While we would like to see a smoother trend, we believe that the overall pattern and the results of 1999 are acceptable. The variability of weather conditions can have a dramatic effect on Boat Basin operations. Good weather can bring higher revenues and lower expenses, while inclement weather can result in lower revenues and higher expenses. Therefore, the theoretical constant spread between revenues and expenses may be difficult or impossible to achieve in this type of enterprise fund.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Gross Revenues**

**Formula:** Operating Revenues + Non-Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Gross Revenues	CPI-U	Gross Revenues
	Actual		Constant
1992	\$346,068	150.0	\$346,068
1993	\$353,343	154.5	\$343,051
1994	\$367,026	158.2	\$348,002
1995	\$404,432	162.2	\$374,012
1996	\$394,521	166.9	\$354,572
1997	\$397,609	170.8	\$349,188
1998	\$426,724	173.6	\$368,713
1999	\$413,421	177.0	\$350,357

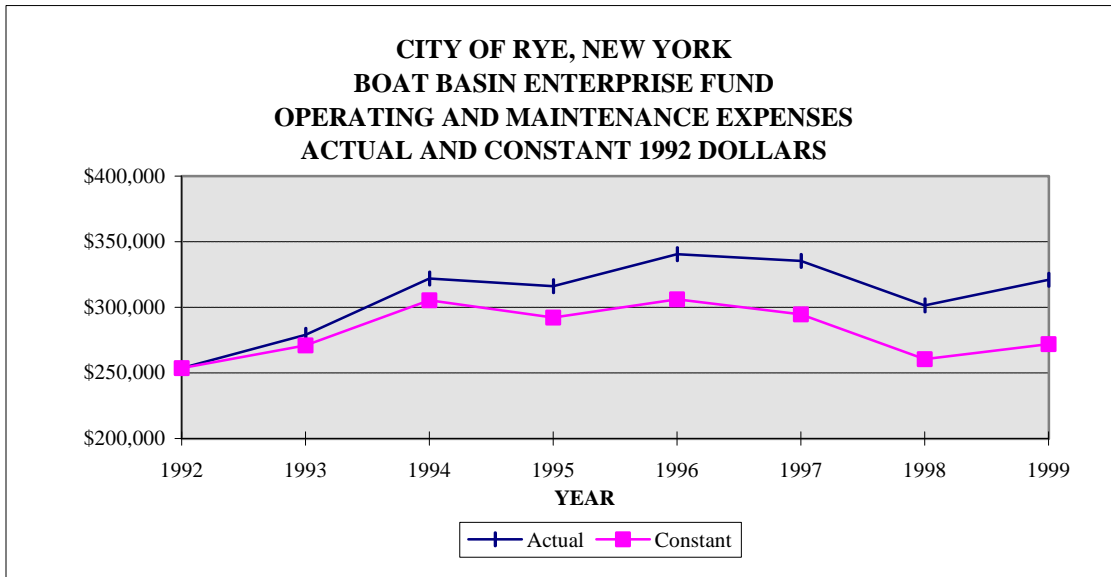
Gross revenues are defined as all revenues, including charges for services, miscellaneous items, and interest income. Gross revenues are shown in actual and inflation-adjusted dollars. Our trend for the Boat Basin shows a slight increase in actual dollars and a relatively flat trend when viewed as constant 1992 dollars. Based on this trend we should consider the impact of inflation, no matter how small, when developing our user fees and charges.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Operating and Maintenance Expenses**

***Formula:*** Operating and Maintenance Expenses

***Warning Trend:*** Increasing trend line



Year	Operating Expenses Actual	CPI-U	Operating Expenses Constant
1992	\$253,709	150.0	\$253,709
1993	\$279,122	154.5	\$270,992
1994	\$321,974	158.2	\$305,285
1995	\$316,001	162.2	\$292,233
1996	\$340,486	166.9	\$306,009
1997	\$335,471	170.8	\$294,617
1998	\$301,545	173.6	\$260,552
1999	\$321,000	177.0	\$272,034

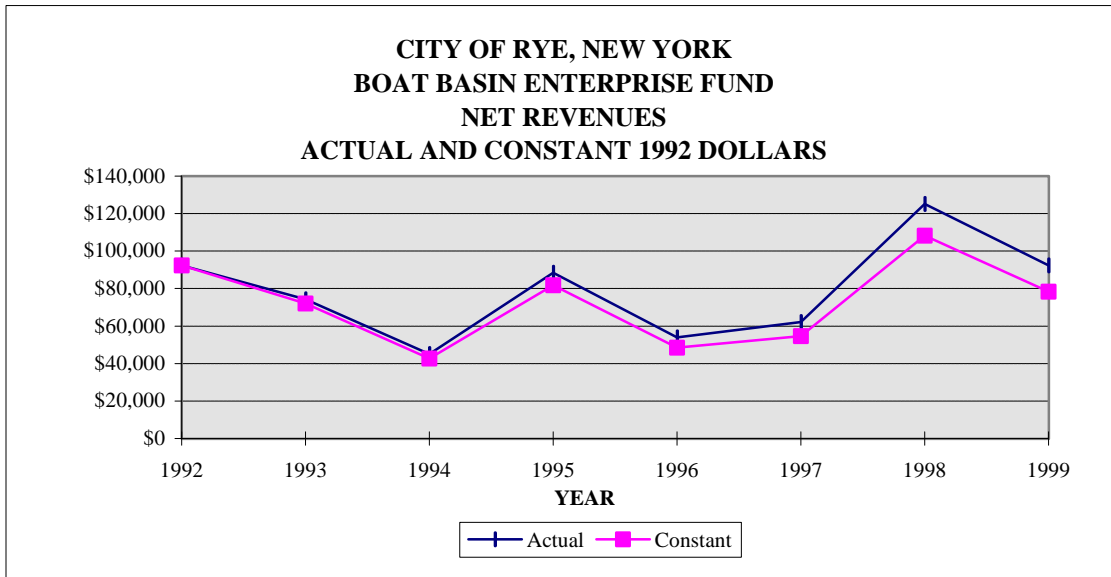
Operating and maintenance expenses are defined as all expenses related to the operation and maintenance of an enterprise, including salaries and wages, employee benefits, materials and supplies, contractual costs, interest expense and depreciation. Operating and maintenance expenses are shown both in actual and constant 1992 dollars. Our overall trend is a slight increase for the timeline shown, and when accounted for in inflation-adjusted dollars, is relatively flat. This is a positive trend, as it indicates a good control over expenses.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Revenues**

**Formula:** Gross Revenues - Operating and Maintenance Expenses

**Warning Trend:** Decreasing trend line



Year	Net Revenues	CPI-U	Net Revenues
	Actual		Constant
1992	\$92,359	150.0	\$92,359
1993	\$74,221	154.5	\$72,059
1994	\$45,052	158.2	\$42,717
1995	\$88,431	162.2	\$81,780
1996	\$54,035	166.9	\$48,564
1997	\$62,138	170.8	\$54,571
1998	\$125,179	173.6	\$108,162
1999	\$92,421	177.0	\$78,323

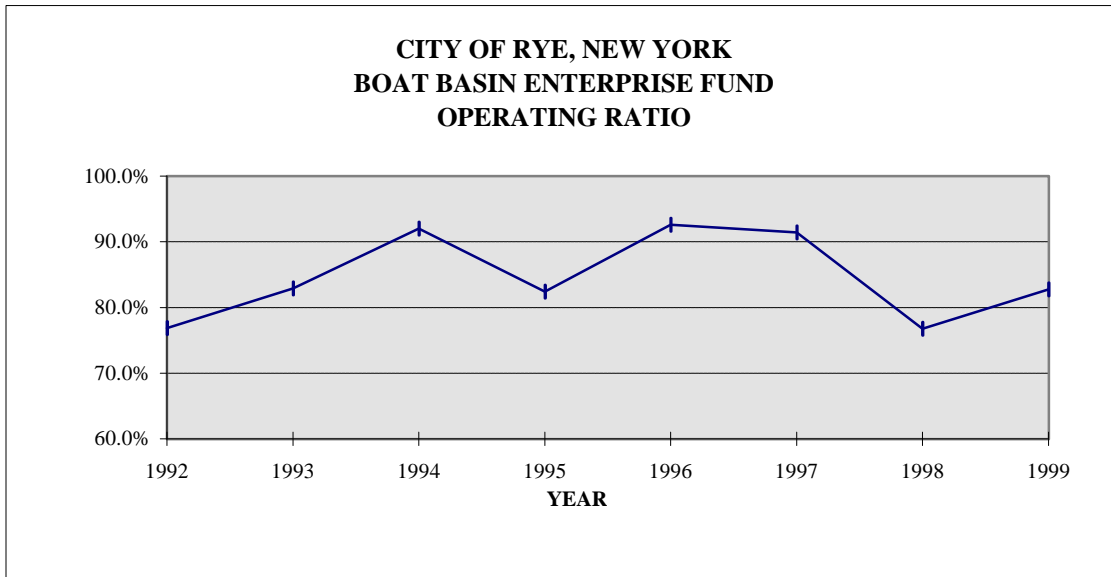
Net revenues are defined as all revenues less operating and maintenance expenses, and is also known as net income. This indicator measures our efficiency at covering expenses with revenue, and an upward trend is a positive one. Our overall trend at the Boat Basin is a positive one, even though there is some inter-period fluctuation. Net revenues can be affected dramatically by seasonal weather conditions.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Operating Ratio**

**Formula:** Operating and Maintenance Expenses/Operating Revenues

**Warning Trend:** Increasing trend line



Year	Operating Expenses	Operating Revenues	Net Operating Ratio
1992	\$253,709	\$330,049	76.9%
1993	\$279,122	\$336,693	82.9%
1994	\$321,974	\$349,881	92.0%
1995	\$316,001	\$383,401	82.4%
1996	\$340,486	\$367,803	92.6%
1997	\$335,471	\$367,013	91.4%
1998	\$301,545	\$392,956	76.7%
1999	\$321,000	\$387,843	82.8%

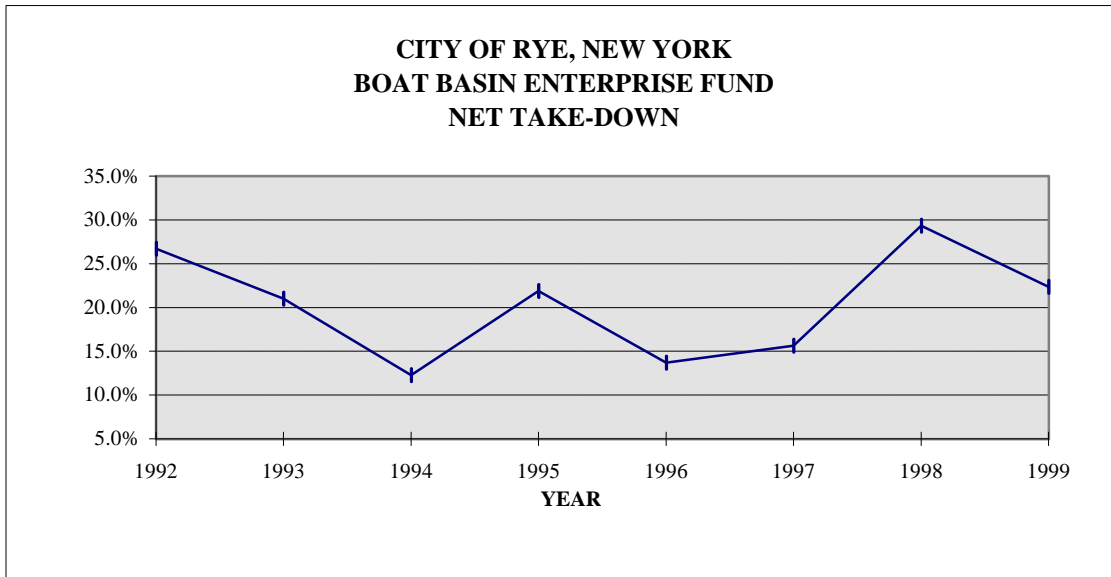
Operating ratio is defined as the operating and maintenance expenses divided by operating revenues, and is another way of measuring operating results. A decreasing trend is a positive trend, and this indicator for our Boat Basin shows that our trend has been flat.

**City of Rye, New York  
1999 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Take-Down**

**Formula:** Net Revenues/Gross Revenues

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Gross Revenues	Net Take-down Ratio
1992	\$92,359	\$346,068	26.7%
1993	\$74,221	\$353,343	21.0%
1994	\$45,052	\$367,026	12.3%
1995	\$88,431	\$404,432	21.9%
1996	\$54,035	\$394,521	13.7%
1997	\$62,138	\$397,609	15.6%
1998	\$125,179	\$426,724	29.3%
1999	\$92,421	\$413,421	22.4%

Net take-down is defined as net revenues to gross revenues, and is an indicator used by Moody's in credit analysis. Increasing net take-down is a positive trend. The overall trend of our Boat Basin has been relatively flat, with the 22.4% ratio of 1999 slightly above the eight year average of 20.35%.

***Golf Club Enterprise Fund***

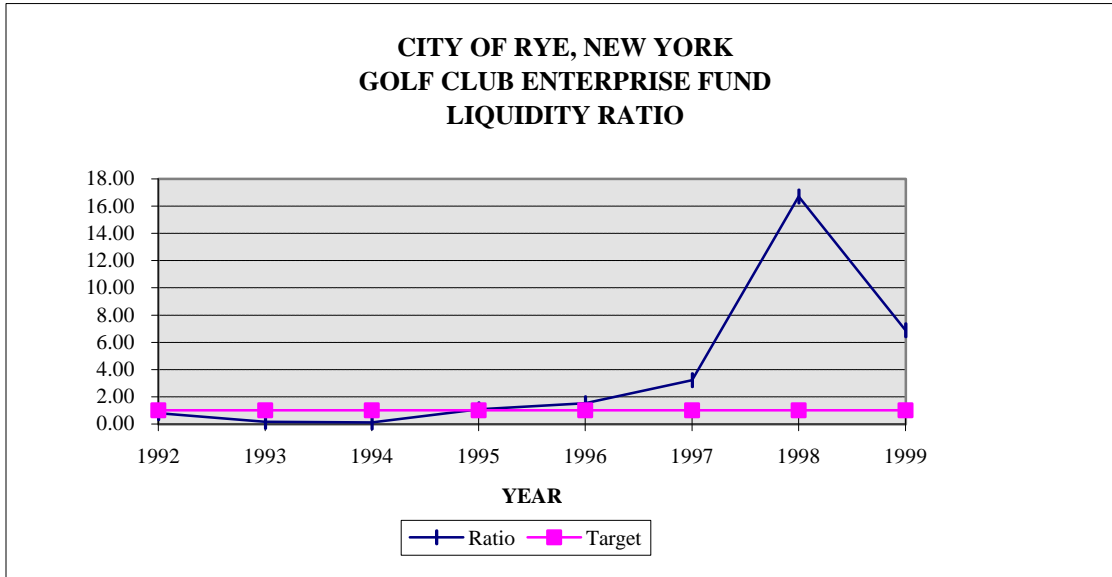
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**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Liquidity Ratio**

**Formula:** Cash and Short-Term Investments/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Cash and Short-Term Investments	Current Liabilities	Liquidity Ratio	Target
1992	\$432,180	\$548,836	0.79	1.00
1993	\$76,162	\$462,102	0.16	1.00
1994	\$44,957	\$362,570	0.12	1.00
1995	\$194,789	\$179,810	1.08	1.00
1996	\$315,074	\$205,597	1.53	1.00
1997	\$574,617	\$179,118	3.21	1.00
1998	\$6,118,653	\$366,062	16.71	1.00
1999	\$5,666,428	\$823,439	6.88	1.00

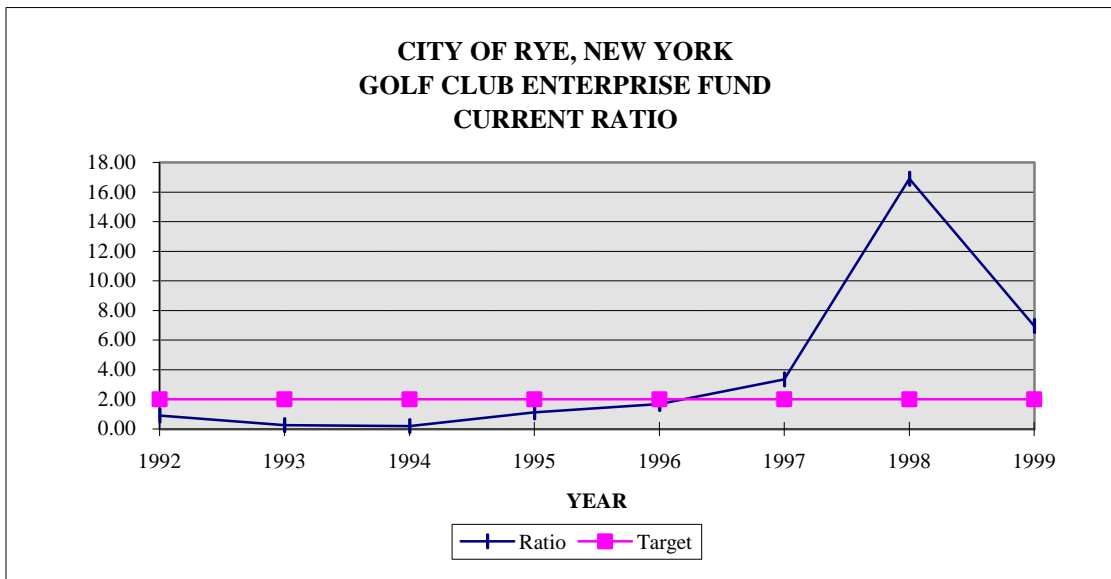
Liquidity for the Golf Club met target in 1995 (prior to which it was below target), and has remained above target since that time. The dramatic jump in 1998 reflects the receipt of cash related to our 1998 Series A and B bond proceeds. Excluding the bond proceeds from the calculation would still have resulted in a positive ratio of almost 2:1. As seen in the chart, the ratio continues in its upward trend in 1999 to a level of almost 7:1.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Current Ratio**

**Formula:** Current Assets/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1992	\$501,308	\$548,836	0.91	2.00
1993	\$115,586	\$462,102	0.25	2.00
1994	\$70,837	\$362,570	0.20	2.00
1995	\$200,519	\$179,810	1.12	2.00
1996	\$347,082	\$205,597	1.69	2.00
1997	\$600,573	\$179,118	3.35	2.00
1998	\$6,185,103	\$366,062	16.90	2.00
1999	\$5,723,764	\$823,439	6.95	2.00

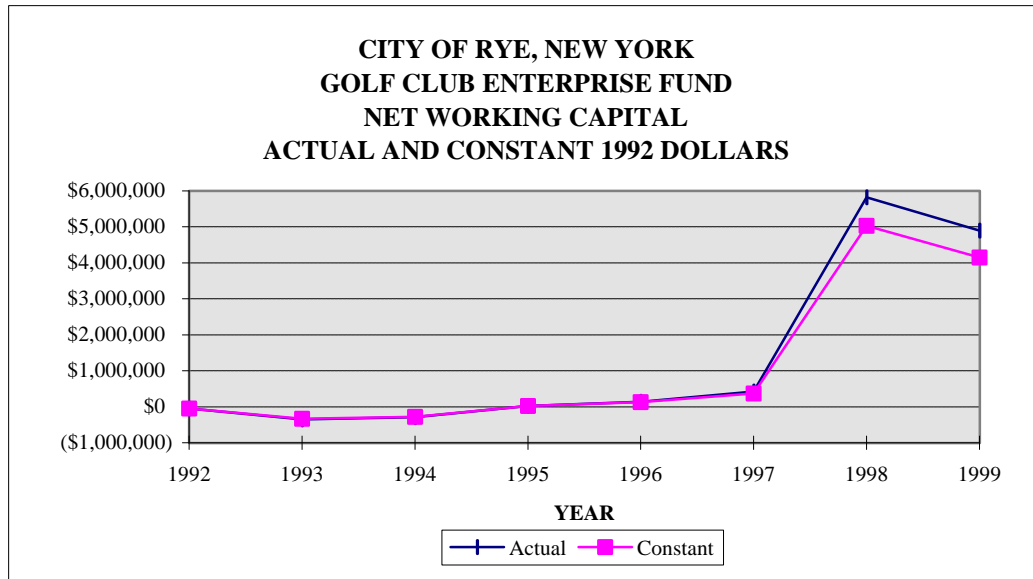
The current ratio for the Golf Club met target in 1997. As with the liquidity ratio, the dramatic jump in 1998 is attributed to the 1998 Series A and B bond proceeds, and exclusive of the bond proceeds the ratio would still have remained a positive 2.14:1. The results (6.95:1) of 1999 confirm that the trend continues upward.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Working Capital**

**Formula:** Current Assets - Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Net Working Capital Actual	CPI-U	Net Working Capital Constant
1992	\$501,308	\$548,836	(\$47,528)	150.0	(\$47,528)
1993	\$115,586	\$462,102	(\$346,516)	154.5	(\$336,423)
1994	\$70,837	\$362,570	(\$291,733)	158.2	(\$276,612)
1995	\$200,519	\$179,810	\$20,709	162.2	\$19,151
1996	\$347,082	\$205,597	\$141,485	166.9	\$127,158
1997	\$600,573	\$179,118	\$421,455	170.8	\$370,130
1998	\$6,185,103	\$366,062	\$5,819,041	173.6	\$5,027,973
1999	\$5,723,764	\$823,439	\$4,900,325	177.0	\$4,152,818

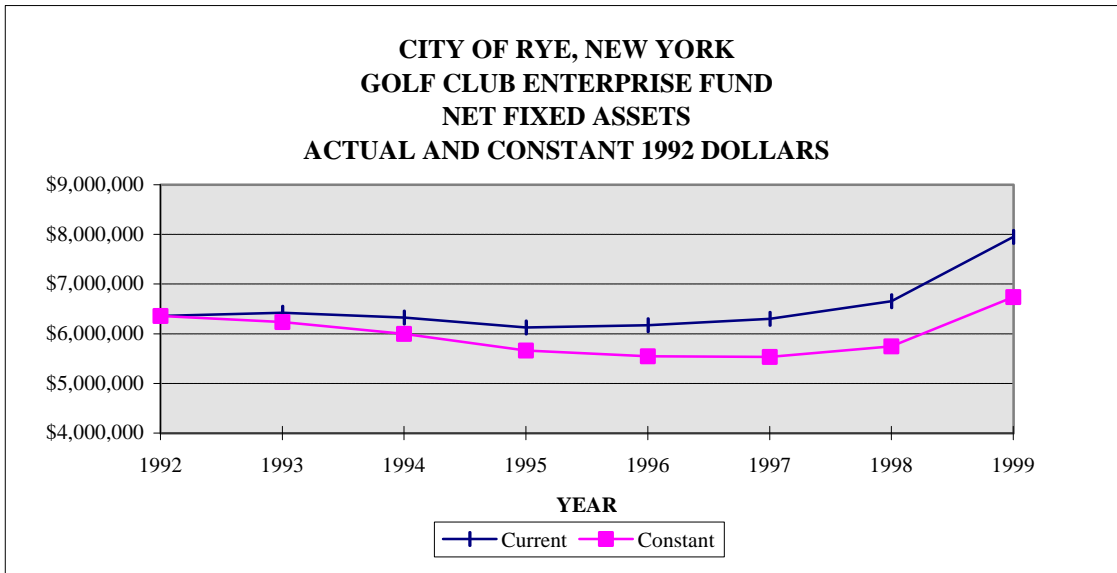
Net working capital is defined as current assets less current liabilities, and is another measure of our ability to pay off current amounts due with currently available funds and liquid assets. In the first three years of its existence as an enterprise fund, the Golf Club struggled to reach a positive net working capital position. Since that time the net working capital has steadily increased. The dramatic increase in 1998 and 1999 is due to the receipt of the 1998 serial bond proceeds.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Fixed Assets**

**Formula:** Fixed Assets - Accumulated Depreciation

**Warning Trend:** Decreasing trend line

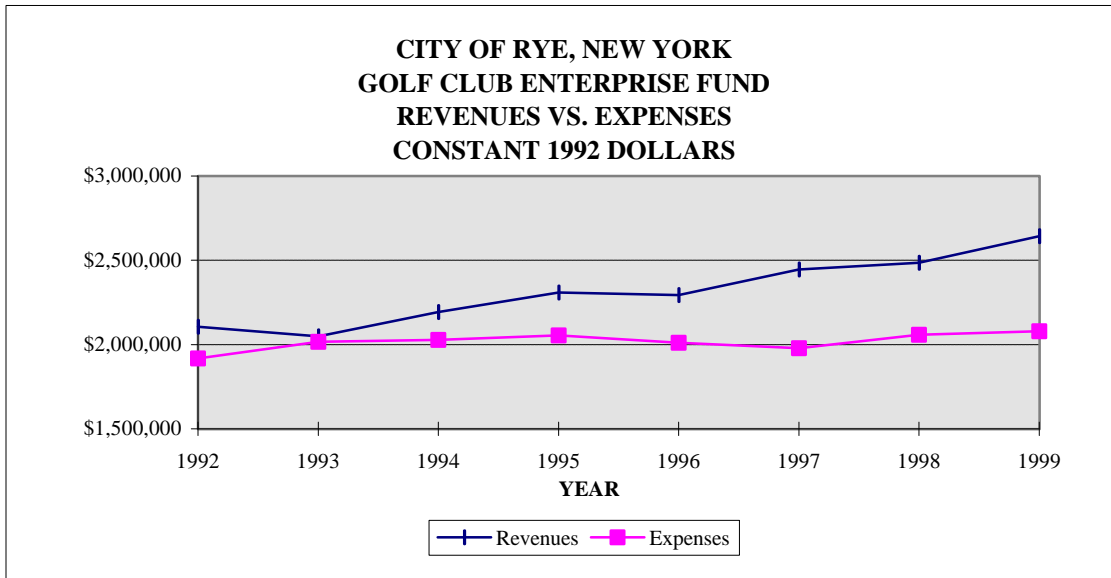


Year	Fixed Assets	Accumulated Depreciation	Net Fixed Assets Current	CPI-U	Net Fixed Assets Constant
1992	\$7,263,980	\$903,037	\$6,360,943	150.0	\$6,360,943
1993	\$7,581,792	\$1,160,992	\$6,420,800	154.5	\$6,233,786
1994	\$7,755,446	\$1,428,037	\$6,327,409	158.2	\$5,999,440
1995	\$7,818,468	\$1,693,451	\$6,125,017	162.2	\$5,664,319
1996	\$8,131,160	\$1,958,203	\$6,172,957	166.9	\$5,547,894
1997	\$8,526,479	\$2,228,236	\$6,298,243	170.8	\$5,531,244
1998	\$9,190,108	\$2,537,012	\$6,653,096	173.6	\$5,748,643
1999	\$10,819,235	\$2,871,717	\$7,947,518	177.0	\$6,735,185

Net fixed assets are defined as fixed assets (land, buildings, and equipment) less accumulated depreciation. This indicator measures our commitment to replacing such assets when they are no longer cost-effective to operate and maintain or are obsolete. The trend line indicates a major positive trend upwards from 1997 to 1999, representing a number of capital improvements to the golf course and facilities which came into service in that period.

**Net Operating Revenues vs. Net Operating Expenses**  
**City of Rye, New York**  
**1999 Financial Trends Report**

**Golf Club Enterprise Fund**  
**Net Operating Revenues vs. Net Operating Expenses**  
*Formula:* Net Operating Revenues; Net Operating Expenses  
*Warning Trend:* Decreasing distance between trend lines



Year	Actual Revenues	Actual Expenses	CPI-U	Constant Revenues	Constant Expenses
1992	\$2,105,422	\$1,918,505	150.0	\$2,105,422	\$1,918,505
1993	\$2,110,592	\$2,077,199	154.5	\$2,049,118	\$2,016,698
1994	\$2,313,204	\$2,137,764	158.2	\$2,193,303	\$2,026,957
1995	\$2,496,422	\$2,221,339	162.2	\$2,308,652	\$2,054,259
1996	\$2,552,223	\$2,238,339	166.9	\$2,293,789	\$2,011,689
1997	\$2,785,165	\$2,251,765	170.8	\$2,445,988	\$1,977,545
1998	\$2,876,329	\$2,382,686	173.6	\$2,485,307	\$2,058,772
1999	\$3,118,902	\$2,452,587	177.0	\$2,643,137	\$2,078,464

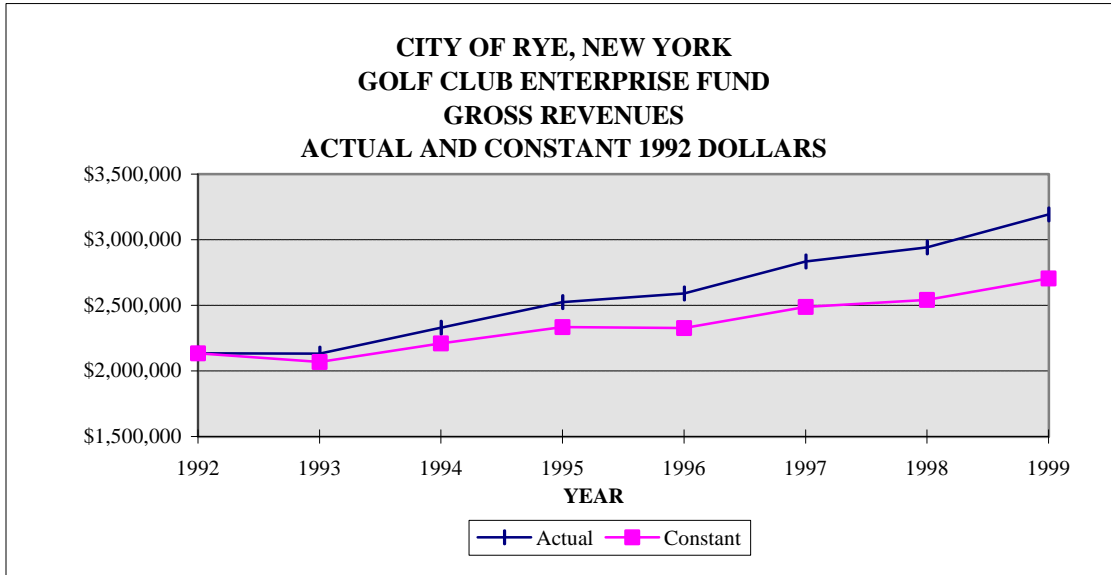
Other than a negative trend in the first two years, the net operating revenues compared to net operating expenses of the Golf Club has been on an increasingly positive trend. Since 1993, in inflation adjusted dollars, the gap between the two lines has widened continuously, indicating that our revenues are growing faster than our expenses. This reflects sound operational and financial management of the Golf Club.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Gross Revenues**

**Formula:** Operating Revenues + Non-Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Gross Revenues	CPI-U	Gross Revenues
	Actual		Constant
1992	\$2,134,720	150.0	\$2,134,720
1993	\$2,131,462	154.5	\$2,069,381
1994	\$2,330,119	158.2	\$2,209,342
1995	\$2,524,560	162.2	\$2,334,673
1996	\$2,589,189	166.9	\$2,327,012
1997	\$2,833,582	170.8	\$2,488,509
1998	\$2,941,891	173.6	\$2,541,957
1999	\$3,191,484	177.0	\$2,704,647

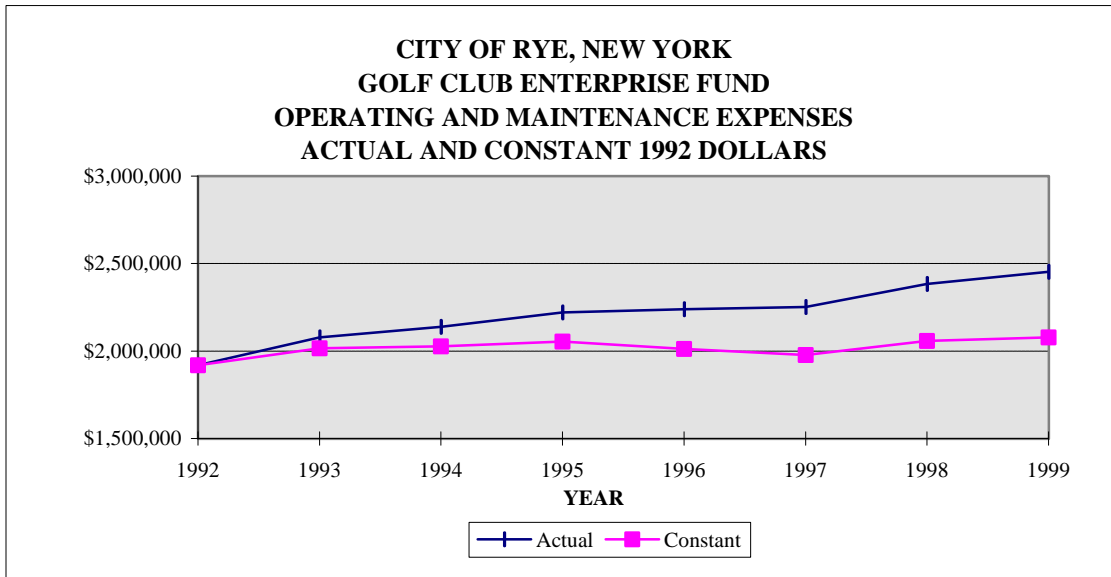
Gross revenues are defined as all revenues, including charges for services, miscellaneous items, and interest income. Gross revenues are shown in actual and inflation-adjusted dollars. Gross revenues have been on a steady increase at the Golf Club both in terms of actual and constant 1992 dollars. This indicates a very positive revenue stream reflecting a fee structure which has been designed to adjust for inflation.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Operating and Maintenance Expenses**

**Formula:** Operating and Maintenance Expenses

**Warning Trend:** Increasing trend line



Year	Operating Expenses Actual	CPI-U	Operating Expenses Constant
1992	\$1,918,505	150.0	\$1,918,505
1993	\$2,077,199	154.5	\$2,016,698
1994	\$2,137,764	158.2	\$2,026,957
1995	\$2,221,339	162.2	\$2,054,259
1996	\$2,238,339	166.9	\$2,011,689
1997	\$2,251,765	170.8	\$1,977,545
1998	\$2,382,686	173.6	\$2,058,772
1999	\$2,452,587	177.0	\$2,078,464

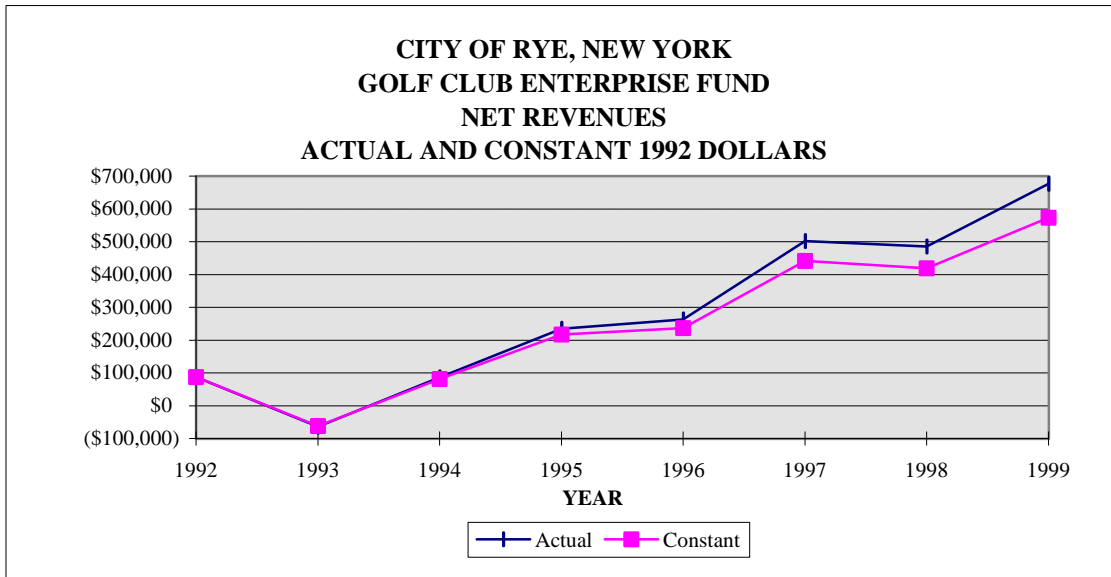
Operating and maintenance expenses are defined as all expenses related to the operation and maintenance of an enterprise, including salaries and wages, employee benefits, materials and supplies, contractual costs, interest expense and depreciation. Operating and maintenance expenses are shown both in actual and constant 1992 dollars. Golf Club operating and maintenance expenses have had some actual increases since 1992 in a slightly upward trend, but inflation accounted for, the trend is flat. In light of Golf Club revenue trends, we find the operating and maintenance expenses to be under sound financial control.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Revenues**

**Formula:** Gross Revenues - Operating and Maintenance Expenses

**Warning Trend:** Decreasing trend line



Year	Net Revenues	CPI-U	Net Revenues
	Actual		Constant
1992	\$87,159	150.0	\$87,159
1993	(\$64,131)	154.5	(\$62,263)
1994	\$86,392	158.2	\$81,914
1995	\$235,051	162.2	\$217,371
1996	\$262,913	166.9	\$236,291
1997	\$502,254	170.8	\$441,090
1998	\$485,039	173.6	\$419,101
1999	\$676,456	177.0	\$573,268

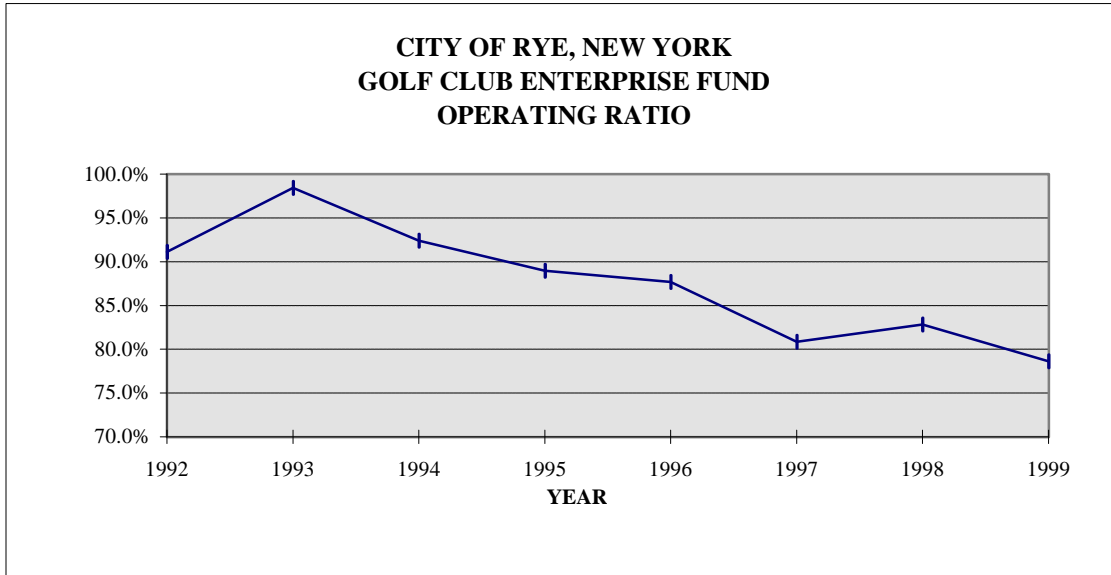
Net revenues are defined as all revenues less operating and maintenance expenses, and is also known as net income. This indicator measures our efficiency at covering expenses with revenue, and an upward trend is a positive one. Net revenues of the Golf Club have been in a substantial upward trend since 1993 (when a net loss was incurred), even in constant dollars. This indicates that our revenues have consistently outpaced our expenses since that time, even after accounting for inflation.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Operating Ratio**

**Formula:** Operating and Maintenance Expenses/Operating Revenues

**Warning Trend:** Increasing trend line



Year	Operating Expenses	Operating Revenues	Net Operating Ratio
1992	\$1,918,505	\$2,105,422	91.1%
1993	\$2,077,199	\$2,110,592	98.4%
1994	\$2,137,764	\$2,313,204	92.4%
1995	\$2,221,339	\$2,496,422	89.0%
1996	\$2,238,339	\$2,552,223	87.7%
1997	\$2,251,765	\$2,785,165	80.8%
1998	\$2,382,686	\$2,876,329	82.8%
1999	\$2,452,587	\$3,118,902	78.6%

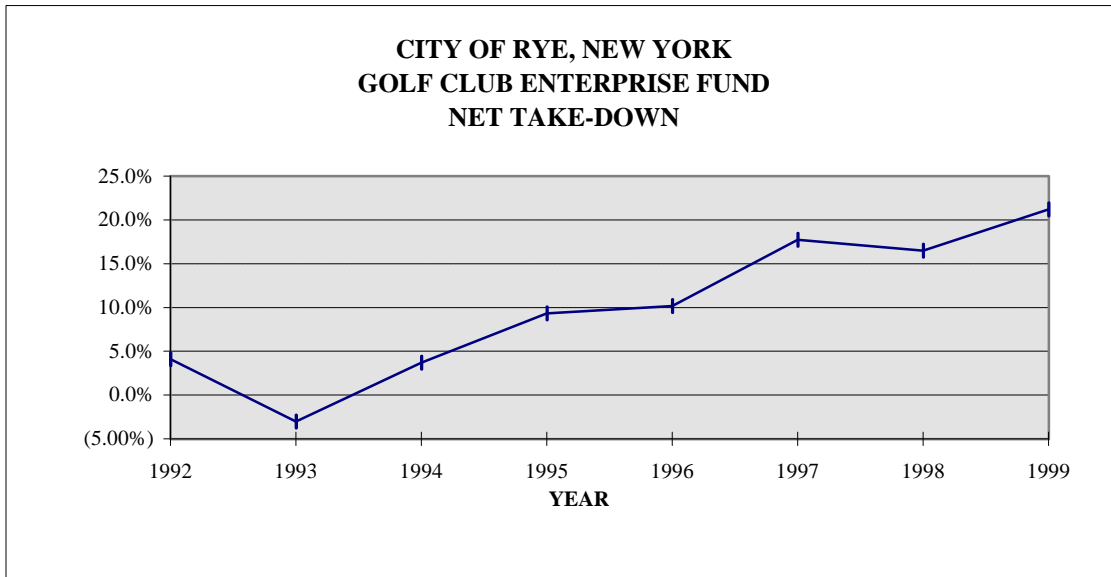
Operating ratio is defined as the operating and maintenance expenses divided by operating revenues, and is another way of measuring operating results. A decreasing trend is a positive trend. The Golf Club's operating ratio has been on a very positive trend downward. This indicates that less of our revenue is required to cover our operating and maintenance expenses.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Take-Down**

**Formula:** Net Revenues/Gross Revenues

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Gross Revenues	Net Take-down Ratio
1992	\$87,159	\$2,134,720	4.1%
1993	(\$64,131)	\$2,131,462	(3.01%)
1994	\$86,392	\$2,330,119	3.7%
1995	\$235,051	\$2,524,560	9.3%
1996	\$262,913	\$2,589,189	10.2%
1997	\$502,254	\$2,833,582	17.7%
1998	\$485,039	\$2,941,891	16.5%
1999	\$676,456	\$3,191,484	21.2%

Net take-down is defined as net revenues to gross revenues, and is an indicator used by Moody's in credit analysis. Increasing net take-down is a positive trend. Our Golf Club net take-down shows a positive trend of solid increases. This is an indication that an increasing amount of our revenues are ending up as "bottom line" net income.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Long-Term Debt**

**Formula:** Current and Non-Current Long-Term Debt

**Warning Trend:** Increasing trend line



Year	Long-Term Debt		Long-Term Debt
	Actual	CPI-U	Constant
1992	\$1,675,000	150.0	\$1,675,000
1993	\$1,500,000	154.5	\$1,456,311
1994	\$1,375,000	158.2	\$1,303,729
1995	\$1,250,000	162.2	\$1,155,980
1996	\$1,125,000	166.9	\$1,011,084
1997	\$1,000,000	170.8	\$878,220
1998	\$6,275,000	173.6	\$5,421,947
1999	\$5,975,000	177.0	\$5,063,559

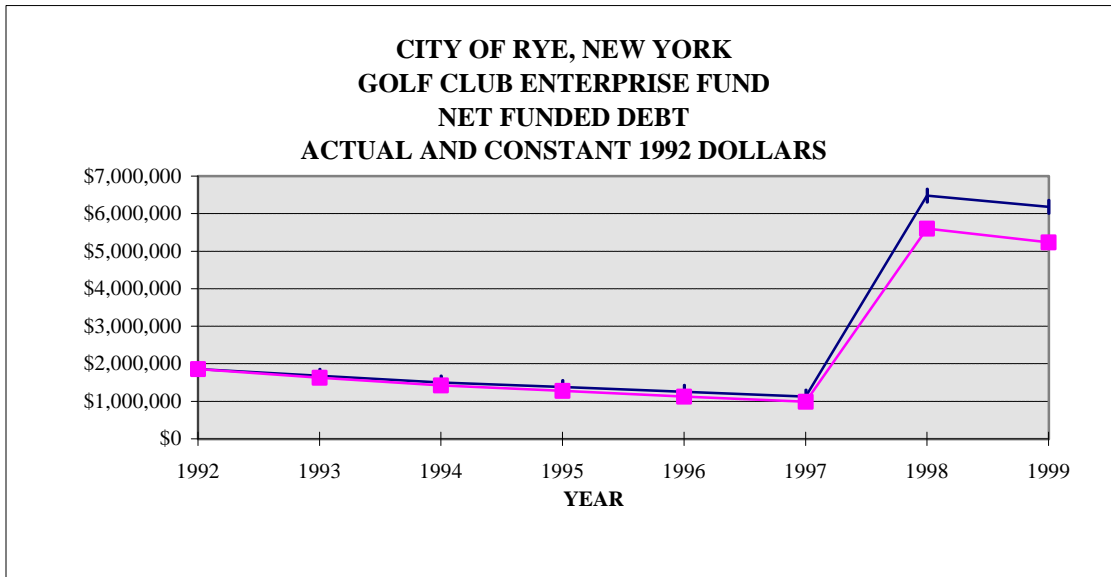
Long-term debt was on the decline at the Golf Club until 1998, when \$5,400,000 was issued in the 1998 Series A and B serial bonds. The proceeds of these bonds will be used for the reconstruction of Whitby Castle, the construction of a new banquet hall at Whitby Castle, site improvements, and a new golf locker building. A contract was entered into with Restaurant Associates, an internationally recognized food service company, for the operation of the restaurant/catering facilities at Whitby Castle and the snack bar at the pool. It is anticipated that revenues from this arrangement will offset debt service costs, and within a few short years should provide additional positive cash flow for the Golf Club.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Funded Debt**

**Formula:** Long-Term Debt + Accrued Interest Payable

**Warning Trend:** Increasing trend line



Year	Net Funded Debt		Net Funded Debt	
	Actual	CPI-U	Constant	
1992	\$1,856,342	150.0	\$1,856,342	
1993	\$1,680,975	154.5	\$1,632,015	
1994	\$1,504,405	158.2	\$1,426,427	
1995	\$1,379,038	162.2	\$1,275,313	
1996	\$1,253,671	166.9	\$1,126,727	
1997	\$1,128,304	170.8	\$990,899	
1998	\$6,479,643	173.6	\$5,598,770	
1999	\$6,179,276	177.0	\$5,236,674	

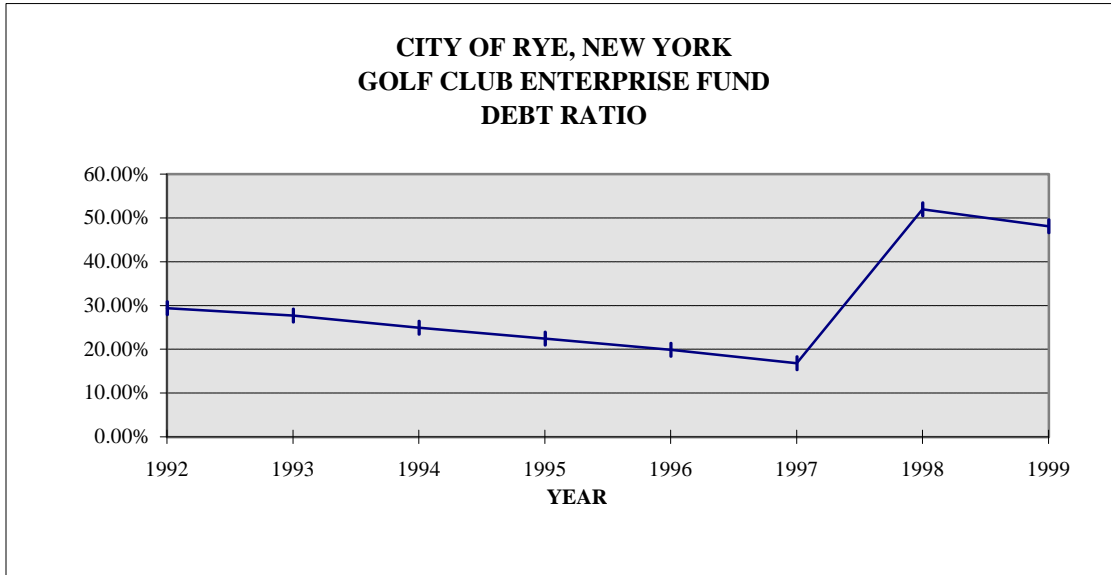
Net funded debt is an indicator used by Moody's in ratings analysis, and is defined as long-term debt plus accrued interest payable, less any amount applicable to such debt in a debt service fund and/or a debt reserve fund. The Golf Club does not have a debt service or debt reserve fund for its outstanding debt, and the net funded debt is higher than long-term debt due to debt interest accrued through December 31 of each year. As with long-term debt, net funded debt was on a decline until we issued the 1998 Series A and B bonds. No new debt was issued in 1999 and no new debt is anticipated in the near future, so we anticipate seeing once again a decline in net funded debt.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Debt Ratio**

**Formula:** Net Funded Debt/Net Fixed Assets + Net Working Capital

**Warning Trend:** Increasing trend line



Year	Net Funded Debt	Net Fixed Assets	Net Working Capital	Debt Ratio
1992	\$1,856,342	\$6,360,943	(\$47,528)	29.40%
1993	\$1,680,975	\$6,420,800	(\$346,516)	27.67%
1994	\$1,504,405	\$6,327,409	(\$291,733)	24.93%
1995	\$1,379,038	\$6,125,017	\$20,709	22.44%
1996	\$1,253,671	\$6,172,957	\$141,485	19.85%
1997	\$1,128,304	\$6,298,243	\$421,455	16.79%
1998	\$6,479,643	\$6,653,096	\$5,819,041	51.95%
1999	\$6,179,276	\$7,947,518	\$4,900,325	48.10%

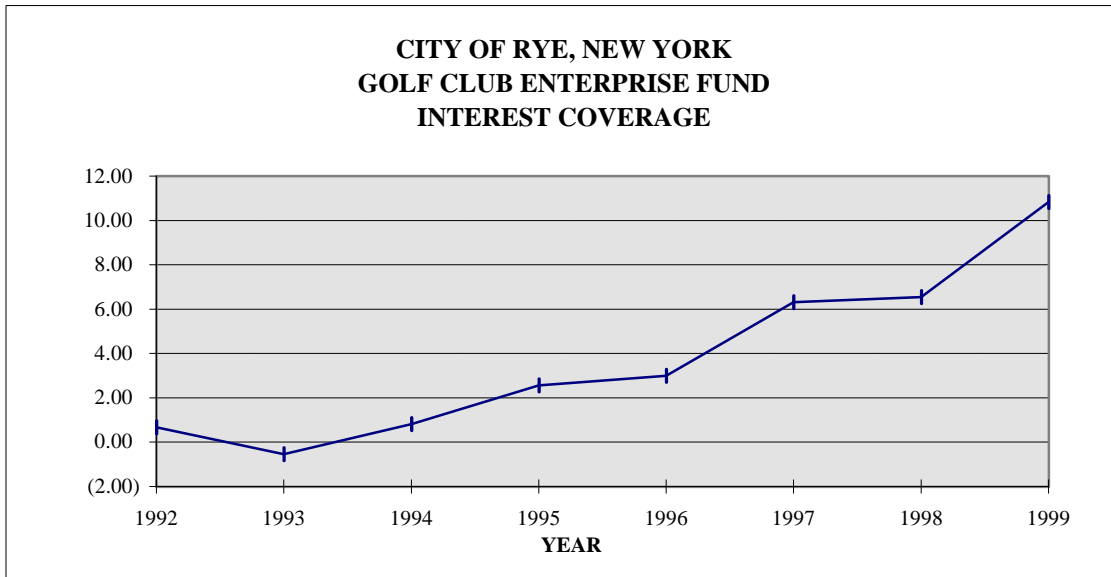
As with our outstanding debt indicators, the debt ratio was on a decline until 1998. With the issuance of the 1998 Series A and B serial bonds, the ratio jumped from 17% to 52%. We believe that the downward trend from 1998 to 1999 will continue.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Interest Coverage**

**Formula:** Net Revenues/Debt Interest

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Interest	Interest Coverage
1992	\$87,159	\$129,056	0.68
1993	(\$64,131)	\$118,394	(0.54)
1994	\$86,392	\$105,963	0.82
1995	\$235,051	\$91,895	2.56
1996	\$262,913	\$87,937	2.99
1997	\$502,254	\$79,563	6.31
1998	\$485,039	\$74,166	6.54
1999	\$676,456	\$62,441	10.83

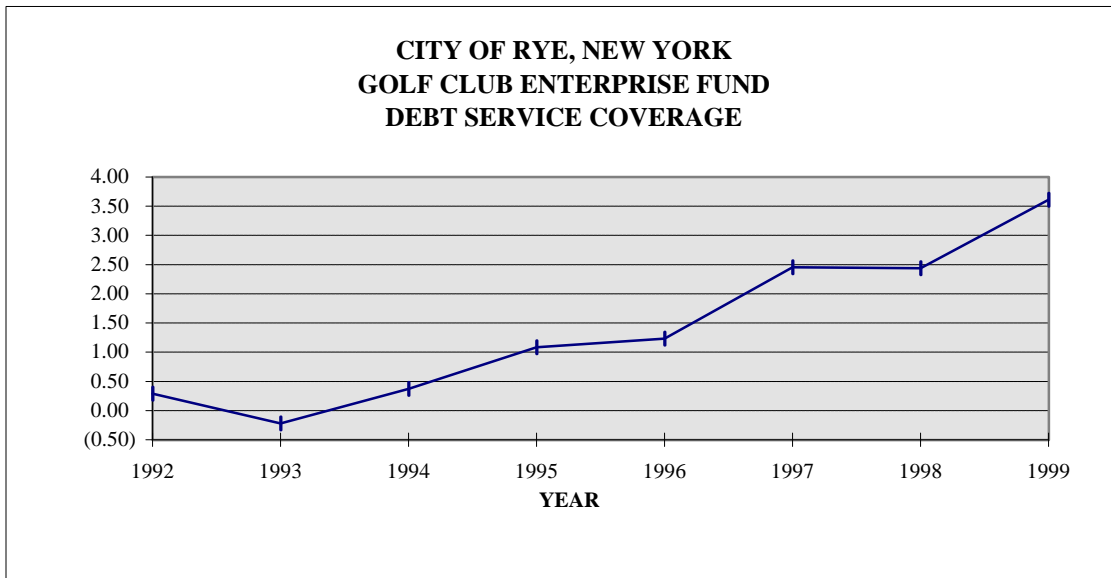
Debt interest coverage for the Golf Club continues to rise on a positive trend, in 1999 being almost 11:1. It should be noted that the 1998 and 1999 interest expense on the 1998 Series A and B bonds was "capitalized", meaning that it was offset against interest income earned on the proceeds of the bonds. The bond proceeds are expected to be spent by the completion of the Whitby Project in 2000, after which we will not be able to capitalize future interest expense. We would expect the debt interest coverage ratio to decrease in 2000, then level off and increase again from 2002 and beyond, as net revenues increase and interest expense decreases. The outstanding debt from a 1993 bond issue will be redeemed in 2005, further adding to a positive interest coverage ratio in 2006 and beyond.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Debt Service Coverage**

**Formula:** Net Revenues/Debt Principal + Debt Interest

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Service	Debt Service Coverage
1992	\$87,159	\$304,056	0.29
1993	(\$64,131)	\$293,394	(0.22)
1994	\$86,392	\$230,963	0.37
1995	\$235,051	\$216,895	1.08
1996	\$262,913	\$212,937	1.23
1997	\$502,254	\$204,563	2.46
1998	\$485,039	\$199,166	2.44
1999	\$676,456	\$187,441	3.61

Debt service coverage for the Golf Club has been increasing since 1993, but will be expected to decrease, then level off and again begin an upward trend beginning in 2001. The 1998 bonds were structured on a "level debt service" repayment schedule similar to a home mortgage, where the total payments remain the same, and with each successive payment, less is applied to interest and more to principal. We expect the amount of increase in this ratio from 2001 through 2005 will not be as great as that of the debt interest coverage ratio, but after the final debt service payments are made on the 1993 issue in 2005, the debt service coverage ratio should have a marked increase.

**City of Rye, New York  
1999 Financial Trends Report**

**Golf Club Enterprise Fund  
Debt Service Safety Margin**

**Formula:**  $\text{Net Revenues} - \text{Debt Service Requirements} / \text{Gross Revenues} + \text{Income}$

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Service	Gross Revenues	Debt Service Safety Margin
1992	\$87,159	\$304,056	\$2,134,720	(10.16)%
1993	(\$64,131)	\$293,394	\$2,131,462	(16.77)%
1994	\$86,392	\$230,963	\$2,330,119	(6.20)%
1995	\$235,051	\$216,895	\$2,524,560	0.72%
1996	\$262,913	\$212,937	\$2,589,189	1.93%
1997	\$502,254	\$204,563	\$2,833,582	10.51%
1998	\$485,039	\$199,166	\$2,941,891	9.72%
1999	\$676,456	\$187,441	\$3,191,484	15.32%

The debt service safety margin measures the "cushion" we have to cover debt service. It considers our net income, less debt service requirements, and divides this by our total income. An increasing safety margin is a positive trend. Our Golf Club margin has steadily improved since 1993, and in 1999 approximates 15%. Our comments concerning debt service coverage for the Golf Club and the effects of the 1998 bonds on that indicator apply as well to the debt service safety margin.